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97TH CONGRESS  
2D SESSION**H. R. 6955**

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IN THE SENATE OF THE UNITED STATES

AUGUST 10 (legislative day, JULY 12), 1982

Received; read twice and placed on the calendar

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**AN ACT**

To provide for reconciliation pursuant to the first concurrent resolution on the budget for fiscal year 1983 (S. Con. Res. 92, Ninety-seventh Congress).

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That this Act may be cited as the “Omnibus Reconciliation  
4       Act of 1982”.

TITLE I—AGRICULTURE, FORESTRY, AND  
RELATED PROGRAMS

Subtitle A—Dairy Price-Support Program

SEC. 101. Section 201 of the Agricultural Act of 1949,  
as amended by the Agriculture and Food Act of 1981, is  
amended by—

(1) effective October 1, 1982, striking out every-  
thing in subsection (c) after the first sentence and pre-  
ceding the sentence which begins "Such price support  
shall be provided";

(2) adding a new subsection (d) as follows:

"(d) Notwithstanding any other provision of law—

"(1)(A) For that portion of the national milk  
supply required to meet domestic commercial market  
needs (i) effective for the period beginning October 1,  
1982, and ending September 30, 1983, the price of  
such milk shall be supported at \$13.10 per hundred-  
weight of milk containing 3.67 per centum milkfat; and  
(ii) effective for each of the fiscal years beginning Octo-  
ber 1, 1983, and October 1, 1984, the price of such  
milk shall be supported at such level that represents  
the percentage of parity that the Secretary determines  
\$13.10 represented as of October 1, 1982. That por-  
tion of the national supply required to meet domestic  
commercial market needs shall be the estimate of mar-

ketings of milk by producers minus the estimate of re-  
movals of milk from the market by the Commodity  
Credit Corporation under the price support program;  
and that portion of the national milk supply determined  
excess to domestic commercial market needs shall be  
the estimated removals of milk from the market by the  
Commodity Credit Corporation under the price support  
program.

"(B) The level of price support provided producers  
on that portion of the national milk supply determined  
excess to domestic commercial market needs shall be  
the level of price support provided for in subparagraph  
(A) reduced by such uniform rate as determined by the  
National Dairy Board as necessary to recover the  
funds required to meet that portion of the cost of the  
price support program which is the responsibility of  
producers of milk as defined in paragraph (2). Such  
level of price support shall be (i) determined by the Na-  
tional Dairy Board provided for in paragraph (6); (ii)  
announced prior to October 1 of the fiscal year to  
which the rate applies and may be adjusted during the  
fiscal year as determined necessary by the National  
Dairy Board; and (iii) shall be achieved through a uni-  
form reduction of the price paid producers on that por-  
tion of the national milk supply determined excess to

1 domestic commercial market needs. The funds repre-  
 2 sented by such reduction shall be remitted to the Com-  
 3 modity Credit Corporation at such time and such  
 4 manner as prescribed by the Secretary by each person  
 5 making payment to a producer for milk purchased from  
 6 the producer, except that in the case of any producer  
 7 who markets milk of the producer's own production di-  
 8 rectly to consumers, such funds shall be remitted to the  
 9 Corporation by the producer. The Corporation shall  
 10 credit the funds received by it under this provision to  
 11 the account of the National Dairy Board. Such account  
 12 shall bear interest at the same rate as payable by  
 13 Commodity Credit Corporation on its borrowings from  
 14 the United States Treasury. The funds represented by  
 15 such reduction shall be considered as included in the  
 16 payments to a producer of milk for purposes of the  
 17 minimum price provisions of the Agricultural Adjust-  
 18 ment Act of 1933, as reenacted and amended by the  
 19 Agricultural Marketing Agreement Act of 1937.

20 "(2) Producers of milk shall have responsibility in  
 21 each fiscal year during which this program is in effect  
 22 for (A) that portion of the estimated total cost of Com-  
 23 modity Credit Corporation purchases under the price  
 24 support program for milk represented by purchases in  
 25 excess of five billion pounds (milk equivalent), related

1 costs associated with such purchases and costs associ-  
 2 ated with inventory management and disposition of  
 3 products related to said purchases in excess of five bil-  
 4 lion pounds (milk equivalent), (B) the amount of mar-  
 5 keting reduction incentive payments due producers  
 6 under paragraph (4) for reductions in their milk produc-  
 7 tion, (C) anticipated administrative expenses of the  
 8 Board, and the expenses arising from the operations of  
 9 the Board under this subsection, and (D) any balance  
 10 remaining from the immediately preceding fiscal year  
 11 on advances made to the Board by the Commodity  
 12 Credit Corporation as provided for in paragraph (3).  
 13 There shall be deducted from such total amount the es-  
 14 timated receipts from the sale or transfer of dairy prod-  
 15 ucts and other operations conducted under this subsec-  
 16 tion. For the purposes of this paragraph the estimated  
 17 cost of purchases of five billion pounds (milk equiva-  
 18 lent) shall be the dollar amount represented by the cost  
 19 of purchasing and handling butter and nonfat dry milk  
 20 produced from five billion pounds of milk of 3.67 per  
 21 centum milkfat content. Price support operations under  
 22 this Act shall not, however, be limited to the purchase  
 23 of these products or to their purchase in the propor-  
 24 tions they appear in milk. In the event of an increase  
 25 in dairy product imports through action taken under

1 section 22 of the Agricultural Adjustment Act of 1933  
 2 (7 U.S.C. 624), the portion of the cost of the price  
 3 support program which is the responsibility of produc-  
 4 ers shall be reduced by the milk equivalent represented  
 5 by such increased imports. The milk equivalent of any  
 6 such increased imports shall be determined on either a  
 7 solids-not-fat or milkfat-milk equivalent basis, which-  
 8 ever is higher.

9 “(3) The price of milk shall be supported through  
 10 the purchase of milk and the products of milk. All such  
 11 purchases shall be made at the level provided under  
 12 paragraph (1)(A). If funds available to the Commodity  
 13 Credit Corporation to meet that portion of the cost of  
 14 the price support program which is the responsibility of  
 15 producers are not adequate to meet current needs, pur-  
 16 chases of dairy products shall be made using funds oth-  
 17 erwise available to the Commodity Credit Corporation.  
 18 Such expenditure shall be deemed an advance by the  
 19 Commodity Credit Corporation to the National Dairy  
 20 Board which shall be liable for its repayment with in-  
 21 terest at the same rate as payable by the Commodity  
 22 Credit Corporation on its borrowings from the United  
 23 States Treasury. The National Dairy Board shall make  
 24 provision for repayment of any balance outstanding at  
 25 the end of any fiscal year by the end of the succeeding

1 fiscal year. Funds for such repayment shall be provided  
 2 in the manner prescribed in paragraph (1)(B) or  
 3 through sales of products under the provisions of para-  
 4 graph (8).

5 “(4)(A) If the level of price support provided for  
 6 under paragraph (1)(B) is less than the level of price  
 7 support provided for under paragraph (1)(A), a pay-  
 8 ment shall be made to any producer who can establish  
 9 that the producer's marketings of milk during the  
 10 period described in subparagraph (D) have been re-  
 11 duced from the level of marketings during the corre-  
 12 sponding period of the prior fiscal year.

13 “(B) Prior to approving such payment, the Board  
 14 shall require evidence that such reduction in market-  
 15 ings has taken place including a certification by the  
 16 producer in a form specified by the Board, that such  
 17 reduction is a net decrease in marketings of milk and  
 18 has not been offset by expansion of production in other  
 19 production facilities in which the person has an interest  
 20 or by transfer of partial interest in the production fa-  
 21 cility or by the taking of any other action which is a  
 22 scheme or device to qualify for payment.

23 “(C) The payment due any producer under this  
 24 paragraph shall be determined by multiplying the  
 25 number of hundredweights of milk by which marketings

were reduced from those for the same period a year earlier by a rate in dollars per hundredweight established by the Board: *Provided*, That no refund shall be made on a quantity of milk in excess of the quantity for which the person was paid at the rate provided under paragraph (1)(B) nor shall the rate of payment exceed the difference between the level of price support provided under the paragraph (1)(A) and the level of price support under paragraph (1)(B).

“(D) The Board shall provide for application for such payment at least on a quarterly basis but not more frequently than monthly: *Provided*, That if application for payment is made for any period during the year, a year-end statement of marketings must be filed by the applicant. *Provided further*, That payments made under this section during the year shall be considered preliminary settlements for reductions in marketings. In making final settlement for the year, the Board shall base such settlements on the volume of marketings for the entire fiscal year. If, based on total marketings for the year, the Board should determine that preliminary settlements have resulted in overpayment to the producer, the producer shall repay the amount of the overpayment plus interest.

“(E) If a reduced level of support is provided under paragraph (1)(B) for consecutive fiscal years, the Board shall recognize the actions taken by persons in reducing milk marketings in any of such years preceding the current fiscal year when determining eligibility for payment in the current fiscal year: *Provided*, That if a person increases milk marketings in the current fiscal year from the year of reduced marketings, any payment made to that person shall be adjusted to reflect such increase. If a person increases marketings to a level in excess of the marketings of said person during the fiscal year immediately preceding the first fiscal year the program was effective, no payment will be made.

“(F) Eligibility for payment under this paragraph is limited to those producers who made reductions in their marketings of milk and is not transferable to any other person.

“(5) In carrying out this subsection, the Board may, on a reimbursable or nonreimbursable basis, as it deems appropriate, utilize—

“(A) marketing administrators appointed by the Secretary for the administration of Federal milk marketing orders promulgated under provisions of the Agricultural Adjustment Act of 1933,

1 as reenacted and amended by the Agricultural  
2 Marketing Agreement Act of 1937;

3 "(B) State and county committees estab-  
4 lished under section 8 of the Soil Conservation  
5 and Domestic Allotment Act (16 U.S.C. 590h); or

6 "(C) administrators of State milk marketing  
7 programs.

8 "(6)(A) There shall be established a National  
9 Dairy Board (hereinafter referred to as the "Board")  
10 that shall consist of fifteen members plus the Secre-  
11 tary;

12 "(B) The fifteen members of the Board (other  
13 than the Secretary) shall be appointed by the President  
14 with the advice and consent of the Senate from recom-  
15 mendations submitted by organizations certified by the  
16 Secretary as eligible to make such recommendations.  
17 Nominations to the initial Board shall be submitted by  
18 the President to the Senate for its advice and consent  
19 not later than January 1, 1983;

20 "(C) In making such appointments, the President  
21 shall take into account the geographical distribution of  
22 milk production volume throughout the United States;

23 "(D) The term of Board members shall be three  
24 years and no member shall be eligible to serve more  
25 then two consecutive terms: *Provided*, That in making

1 initial appointments to the Board, the President shall  
2 designate one-third of the appointments as one-year  
3 terms, one-third of the appointments as two-year  
4 terms, and one-third of the appointments as three-year  
5 terms;

6 "(E) Vacancies on the Board shall be filled by the  
7 President in the same manner as initial appointments  
8 are made;

9 "(F) The members of the Board shall serve with-  
10 out compensation, if not otherwise officers or employ-  
11 ees of the United States, except that they shall, while  
12 away from their homes or regular places of business in  
13 their performance of services for the Board, be allowed  
14 travel expenses, including per diem in lieu of subsist-  
15 ence, in the same manner as persons employed inter-  
16 mittently in the Government service are allowed ex-  
17 penses under sections 5701 through 5707 of title 5,  
18 United States Code.

19 (G) The Secretary shall certify as eligible to make  
20 recommendations for Board membership, any organiza-  
21 tion that is determined to meet the eligibility criteria  
22 established by the Secretary upon the submission of a  
23 factual report which shall contain information deemed  
24 relevant and specified by the Secretary including, but  
25 not limited to the following:

1 (1) geographical territory covered by the or-  
2 ganization's active membership;

3 (2) nature and size of the organization's  
4 active membership, including the proportion of the  
5 total number of active milk producers represented  
6 by the organization;

7 (3) evidence of stability and permanency of  
8 the organization;

9 (4) sources from which the organization's op-  
10 erating funds are derived; and

11 (5) functions of the organization.

12 (H) If the Secretary determines that a substantial  
13 number of milk producers are not members of, or their  
14 interests are not represented by any such eligible orga-  
15 nization, nominations for the Board may be made from  
16 recommendations made by such milk producers in the  
17 manner authorized by the Secretary.

18 "(7)(A) At its initial meeting, the Board shall  
19 elect from its members a chairman, vice chairman, and  
20 secretary-treasurer. These officers shall have a term of  
21 one year. The Secretary shall not be eligible for serv-  
22 ice in these positions.

23 "(B) The chairman shall preside at all meetings of  
24 the Board and shall be responsible for supervision and

1 direction of any personnel employed by the Board to  
2 carry out the directives of the Act.

3 "(C) The Vice Chairman shall, in the absence of  
4 the Chairman, preside at meetings of the Board. In the  
5 event the office of Chairman is vacated by the death,  
6 resignation, or by disqualification of the incumbent, the  
7 Vice Chairman shall assume those duties until a suc-  
8 cessor has been duly named and qualified by the  
9 Board.

10 "(D) The secretary-treasurer shall be responsible  
11 for maintenance of such records as may be required by  
12 the Board. In addition, the secretary-treasurer shall  
13 prepare such reports as are necessary including an  
14 annual report to the chairman of the Committee on  
15 Agriculture, Nutrition, and Forestry of the United  
16 States Senate and the chairman of the Committee on  
17 Agriculture of the United States House of Representa-  
18 tives.

19 "(E) Regular meetings of the Board shall be held  
20 on a schedule determined by the Board. Special meet-  
21 ings may be called by the Chairman, by the Secretary  
22 or by a majority of the Board requesting the Chairman  
23 convene such special meeting.

“(F) The Board may issue such regulations as are necessary for the conduct of activities required by this subsection.

“(G) The Board may employ such personnel as may be required to assist in carrying out the purposes of this subsection. Such employees shall be considered employees of the Department of Agriculture, however, costs of such employment shall be met from funds available to the Board under this subsection for the conduct of its activities.

“(8) Notwithstanding any other provision of law, the Board shall have the following duties and responsibilities—

“(A) based on estimates of milk production, consumption, and Commodity Credit Corporation purchases, determine the relative proportions of milk to which the price support levels provided for in paragraph (1) shall apply;

“(B) determine the amount of the producer responsibility for dairy product purchases as determined under paragraph (2);

“(C) determine and announce prior to October 1 of each year, the level of price support under paragraph (1)(B) and the uniform rate by which the price paid farmers for milk determined

to be in excess of domestic commercial market needs shall be reduced to achieve the level of price support provided for in paragraph (1)(B);

“(D) dispose of dairy products acquired by the Commodity Credit Corporation through price support operations provided for herein. Such dispositions may include, but are not limited to—

“(i) sales to the domestic commercial trade for unrestricted use: *Provided*, That in no event shall such sales be made at a price less than the higher of the current market price or 110 per centum of the currently effective price for purchase of the product by the Commodity Credit Corporation;

“(ii) transfer to Federal, State, and local government agencies for use in food assistance programs. Such programs shall include the child nutrition programs of the Department of Agriculture, elderly feeding programs, and others whether of an ongoing or of a temporary nature designed to meet short-term conditions. Unless otherwise provided for by law, the rate of reimbursement for commodities used in such programs shall be determined by the Board: *Provided*, That



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2 necessary for the conduct of activities required by this  
3 subsection.

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5 may be required to assist in carrying out the purposes  
6 of this subsection. Such employees shall be considered  
7 employees of the Department of Agriculture, however,  
8 costs of such employment shall be met from funds  
9 available to the Board under this subsection for the  
10 conduct of its activities.

11       “(8) Notwithstanding any other provision of law,  
12 the Board shall have the following duties and responsi-  
13 bilities—

14       “(A) based on estimates of milk production,  
15 consumption, and Commodity Credit Corporation  
16 purchases, determine the relative proportions of  
17 milk to which the price support levels provided for  
18 in paragraph (1) shall apply;

19       “(B) determine the amount of the producer  
20 responsibility for dairy product purchases as deter-  
21 mined under paragraph (2);

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23 ber 1 of each year, the level of price support  
24 under paragraph (1)(B) and the uniform rate by  
25 which the price paid farmers for milk determined

1       to be in excess of domestic commercial market  
2 needs shall be reduced to achieve the level of  
3 price support provided for in paragraph (1)(B);

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5 the Commodity Credit Corporation through price  
6 support operations provided for herein. Such dis-  
7 positions may include, but are not limited to—

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9 trade for unrestricted use: *Provided*, That in  
10 no event shall such sales be made at a price  
11 less than the higher of the current market  
12 price or 110 per centum of the currently ef-  
13 fective price for purchase of the product by  
14 the Commodity Credit Corporation;

15       “(ii) transfer to Federal, State, and  
16 local government agencies for use in food as-  
17 sistance programs. Such programs shall in-  
18 clude the child nutrition programs of the De-  
19 partment of Agriculture, elderly feeding pro-  
20 grams, and others whether of an ongoing or  
21 of a temporary nature designed to meet  
22 short-term conditions. Unless otherwise pro-  
23 vided for by law, the rate of reimbursement  
24 for commodities used in such programs shall  
25 be determined by the Board: *Provided*, That

dairy products, not in excess of five billion pounds (milk equivalent) made available for child nutrition programs operated by the Food and Nutrition Service of the Department of Agriculture and similar programs including those conducted under the Older Americans Act, shall be made available at the request of the Secretary without cost annually;

“(iii) sales to persons engaged in international commerce for the purpose of commercial export sales of said dairy products;

“(iv) sales and transfers of dairy products to foreign governments, agencies of foreign governments, or international agencies; and

“(v) other sales or donation efforts to meet specific needs, as determined by the Board. This may include, but is not limited to, disposition of dairy products for other than unrestricted commercial use to prevent waste, deterioration, or loss of the product;

“(E) the Board shall have authority to direct the reprocessing and, if necessary, repackaging of

dairy products to facilitate operations undertaken pursuant to this paragraph;

“(F) proceeds realized from any operations undertaken pursuant to this paragraph shall be remitted to the Commodity Credit Corporation and credited to the account of the Board;

“(G) if, in the judgment of the Board, any of the operations provided for in subparagraph (D) can be more effectively carried out through products other than those purchased by the Commodity Credit Corporation or on a basis other than through purchase by the Commodity Credit Corporation and subsequent resale or transfer, the Board shall develop and announce details of such programs;

“(H) make recommendations to the Secretary regarding details of the operation of the price support program for milk; and

“(I) establish and announce the rate of the marketing reduction incentive payment provided for in paragraph (4).

“(9) The Secretary of Agriculture shall—

“(A) exercise the authority vested in the Board by this subsection until such time as the

1 initial Board has begun functioning, but in no  
2 event later than April 1, 1983;

3 “(B) serve as a member of the Board;

4 “(C) cooperate with the Board in the per-  
5 formance of its duties, including providing the  
6 Board access to all pertinent economic and finan-  
7 cial data and information necessary to the  
8 achievement of its responsibilities, and provide the  
9 Board with such facilities and support as may be  
10 determined necessary;

11 “(D) collect from all persons who make pay-  
12 ment to farmers for milk and from farmers who  
13 market milk of their own production directly to  
14 consumers, the funds derived from the reduction  
15 in prices paid farmers for that portion of the na-  
16 tional milk supply determined excess to the needs  
17 of the domestic commercial market so as to  
18 achieve the level of price support provided for in  
19 paragraph (1)(B);

20 “(E) provide for audit and verification to de-  
21 termine that all funds due have been collected and  
22 properly credited;

23 “(F) provide for the delivery from the inven-  
24 tories of the Commodity Credit Corporation dairy  
25 products acquired in the conduct of the price sup-

1 port program for milk. Such deliveries shall be in  
2 the form and at the time and place directed by the  
3 Board; and

4 “(G) provide for the payment of obligations  
5 incurred by the Board in carrying out its responsi-  
6 bilities. Such obligations shall be paid from funds  
7 available to the Board under this subsection. Such  
8 payments shall be made at the direction of the  
9 Board.

10 “(10)(A) The district courts of the United States  
11 are vested with jurisdiction specifically to enforce, and  
12 to prevent and restrain any person from violation, any  
13 regulation issued under this subsection. Any such civil  
14 action authorized to be brought under this subsection  
15 shall be referred to the Attorney General for appropri-  
16 ate action: *Provided*, That nothing in this subsection  
17 may be construed as requiring the Secretary to refer to  
18 the Attorney General minor violations of this subsec-  
19 tion whenever the Secretary believes that the adminis-  
20 tration and enforcement of this subsection would be  
21 adequately served by suitable written notice or warning  
22 to any person committing such violation.

23 “(B) Any person who willfully violates any provi-  
24 sion of any regulation issued by the Secretary or the  
25 Board under this subsection, or who willfully fails or

1 refuses to remit any amounts due thereunder shall be  
 2 liable, in addition to payment of the full amount due  
 3 plus interest, for a civil penalty (to be assessed by the  
 4 Secretary) of not more than \$1,000 for each such vio-  
 5 lation which shall accrue to the United States and may  
 6 be recovered in a civil suit brought by the United  
 7 States.

8 “(C) The remedies provided in subsections (A) and  
 9 (B) of this section shall be in addition to, and not ex-  
 10 clusive of, the remedies otherwise provided at law or in  
 11 equity.

12 “(11) Each producer who markets milk and each  
 13 person required to make payment to the Corporation  
 14 under this subsection shall keep such records and make  
 15 such reports, in such manner, as the Secretary deter-  
 16 mines necessary to carry out this subsection. The Sec-  
 17 retary may make such investigations as the Secretary  
 18 deems necessary for the effective administration of this  
 19 subsection or to determine whether any person subject  
 20 to the provision of this subsection has engaged or is  
 21 engaged or is about to engage in any act or practice  
 22 that constitutes or will constitute a violation of any  
 23 provision of this subsection or rule or regulation issued  
 24 under this subsection. For the purpose of such investi-  
 25 gation, the Secretary is empowered to administer oaths

1 and affirmations, subpoena witnesses, compel their at-  
 2 tendance, take evidence and require the production of  
 3 any books, papers, and documents that are relevant to  
 4 the inquiry. Such attendance of witnesses and the pro-  
 5 duction of any such records may be required from any  
 6 place in the United States. In case of contumacy by, or  
 7 refusal to obey a subpoena to, any person, the Secretary  
 8 may invoke the aid of any court of the United States  
 9 within the jurisdiction of which such investigation or  
 10 proceeding is carried on, or where such person resides  
 11 or carries on business, in requiring the attendance and  
 12 testimony of witnesses and the production of books,  
 13 papers, and documents; and such court may issue an  
 14 order requiring such person to appear before the Secre-  
 15 tary, there to produce records, if so ordered, or to give  
 16 testimony touching the matter under investigation. Any  
 17 failure to obey such order of the court may be punished  
 18 by such court as a contempt thereof. All process in any  
 19 such case may be served in the judicial district whereof  
 20 such person is an inhabitant or wherever such person  
 21 may be found.

22 “(12) All operations conducted under this subsec-  
 23 tion shall be considered a program or operation of the  
 24 Department of Agriculture for the purposes of section  
 25 22 of the Agricultural Adjustment Act of 1933.”

1 Subtitle B—Dairy Promotion Act

2 SHORT TITLE

3 SEC. 110. This subtitle may be cited as the “Dairy Pro-  
4 motion Act”.

5 FINDINGS AND DECLARATION OF POLICY

6 SEC. 111. (a) The Congress finds that—

7 (1) dairy products are basic foods that are a valu-  
8 able part of the human diet;

9 (2) the production of dairy products plays a sig-  
10 nificant role in the Nation’s economy; the milk from  
11 which dairy products are manufactured is produced by  
12 thousands of milk producers; and dairy products are  
13 consumed by millions of people throughout the United  
14 States;

15 (3) dairy products must be readily available and  
16 marketed efficiently to assure that the people of the  
17 United States receive adequate nourishment;

18 (4) the maintenance and expansion of existing  
19 markets for dairy products is vital to the welfare of  
20 milk producers and those concerned with marketing,  
21 using, and producing dairy products, as well as to the  
22 general economy of the Nation; and

23 (5) dairy products move in interstate and foreign  
24 commerce, and dairy products that do not move in

1 such channels of commerce directly burden or affect in-  
2 terstate commerce in dairy products.

3 (b) It, therefore, is declared to be the policy of the Con-  
4 gress that it is essential and in the public interest to authorize  
5 the establishment, through the exercise of the powers pro-  
6 vided herein, of an orderly procedure for the financing  
7 (through adequate assessments on all milk produced in the  
8 United States for commercial use) and the carrying out of an  
9 effective and continuous coordinated program of promotion  
10 designed to strengthen the dairy industry’s position in the  
11 marketplace, and maintain and expand domestic and foreign  
12 markets and uses for dairy products produced in the United  
13 States. Nothing in this subtitle may be construed to mean, or  
14 provide for, control of production or otherwise limit the right  
15 of individual milk producers to produce milk.

16 DEFINITIONS

17 SEC. 112. As used in this subtitle—

18 (1) the term “Board” means the National Dairy  
19 Promotion Board established under section 114 of this  
20 subtitle;

21 (2) the term “Department” means the Depart-  
22 ment of Agriculture;

23 (3) the term “dairy products” means manufac-  
24 tured products for human consumption which are de-

1 rived from the processing of milk, and includes fluid  
2 milk products;

3 (4) the term "fluid milk products" means manu-  
4 factured liquid products derived from the processing of  
5 milk and customarily consumed as beverages;

6 (5) the term "milk" means all classes of cow's  
7 milk produced in the United States;

8 (6) the term "person" means any individual,  
9 group of individuals, partnership, corporation, associ-  
10 ation, cooperative, or any other entity;

11 (7) the term "producer" means any person en-  
12 gaged in the production of milk within the United  
13 States for commercial use;

14 (8) the term "promotion" means actions such as  
15 paid advertising, sales promotion, and publicity to ad-  
16 vance the image and sales of, and demand for, dairy  
17 products;

18 (9) the term "Secretary" means the Secretary of  
19 Agriculture; and

20 (10) the term "United States" means the several  
21 States and the District of Columbia, the Common-  
22 wealth of Puerto Rico, the Commonwealth of the  
23 Northern Mariana Islands, and the territories and pos-  
24 sessions of the United States.

# ISSUANCE OF ORDERS

1 SEC. 113. (a) Whenever the Secretary has reason to  
2 believe that the issuance of a proposed dairy products promo-  
3 tion order will tend to effectuate the declared policy of this  
4 subtitle, the Secretary shall give due notice and opportunity  
5 for hearing upon the proposed order. Such proposal for an  
6 order may be submitted and a hearing may be requested and  
7 proposed for an order submitted by an organization certified  
8 under section 116 of this subtitle, or by any interested person  
9 affected by the provisions of the subtitle, including the Secre-  
10 tary.

11 (b) After notice and opportunity for hearing are given,  
12 as provided for in subsection (a) of this section, the Secretary  
13 shall issue a dairy products promotion order if the Secretary  
14 finds (and sets forth in such order), upon the evidence intro-  
15 duced at such hearing, that the issuance of such order and all  
16 the terms and conditions thereof will tend to effectuate the  
17 declared policy of this subtitle.

18 (c) The Secretary may, from time to time, amend dairy  
19 products promotion orders.

## REQUIRED TERMS IN ORDERS

21 SEC. 114. Any order issued under this subtitle shall  
22 contain the following terms and conditions:

23 (1) Providing for the establishment and appoint-  
24 ment by the Secretary of a National Dairy Promotion  
25

1 Board that shall consist of not fewer than thirty-six  
 2 members; and providing for the definition of powers  
 3 and duties of the Board that shall include only the  
 4 powers enumerated in this section, including the  
 5 powers to (A) administer such order in accordance with  
 6 its terms and provisions, (B) make rules and regula-  
 7 tions to effectuate the terms and provisions of such  
 8 order, (C) receive, investigate, and report to the Secre-  
 9 tary complaints of violations of such order, and (D)  
 10 recommend to the Secretary amendments to such  
 11 order. The term of an appointment to the Board shall  
 12 be for three years with no member serving more than  
 13 two consecutive terms, except that initial appointments  
 14 shall be proportionately for two-year and three-year  
 15 terms. The Board may appoint from its members an  
 16 executive committee whose membership shall, to the  
 17 maximum extent practicable, reflect the membership  
 18 composition of the Board. Such executive committee  
 19 shall have such duties and powers as are conferred  
 20 upon it by the Board.

21 (2) Providing that members of the Board shall be  
 22 milk producers appointed by the Secretary from nomi-  
 23 nations submitted by eligible organizations or associ-  
 24 ations certified under section 116 of this subtitle, or, if  
 25 the Secretary determines that a substantial number of

1 milk producers are not members of, or their interests  
 2 are not represented by, any such eligible organization  
 3 or association, then from nominations made by such  
 4 milk producers in the manner authorized by the Secre-  
 5 tary: *Provided*, That in making such appointments, the  
 6 Secretary shall take into account, to the extent practi-  
 7 cable, the geographical distribution of milk production  
 8 volume throughout the United States. In determining  
 9 geographic representation, whole States shall be used  
 10 as a unit. A region may be represented by more than  
 11 one director and a region may be made up of more  
 12 than one State.

13 (3) Providing that the Board shall develop and  
 14 submit to the Secretary for approval any promotion  
 15 plan or project, and that any such plan or project shall  
 16 take effect only if approved by the Secretary.

17 (4) Providing that the Board shall submit to the  
 18 Secretary for approval budgets, on a fiscal period basis,  
 19 of its anticipated expenses and disbursements in the ad-  
 20 ministration of the order, including probable costs of  
 21 dairy product promotion projects.

22 (5) Providing that each milk producer shall pay,  
 23 at the plant of first receipt, an assessment based upon  
 24 the number of hundredweights of milk for commercial  
 25 use, handled for the account of the producer, in the

manner as prescribed by the order, for the expenses and expenditures (including provision for a reasonable reserve and those administrative costs incurred by the Department after an order has been promulgated under this subtitle), as the Secretary finds are reasonable and likely to be incurred by the Board under the order during any period specified by the Secretary. The operator of such plant shall collect such assessment from the producer and shall pay the sum to the Board in the manner as prescribed by the order. The rate of assessment prescribed by the order shall be five cents per hundredweight of milk for commercial use, or the equivalent thereof. To facilitate the collection of such assessments, the order or the Board may designate different operators of plants or classes of such operators to recognize differences in marketing practices or procedures used in the industry. The Secretary may maintain a suit against any person subject to the order for the collection of such assessment, and the several district courts of the United States are hereby vested with jurisdiction to entertain such suits regardless of the amount in controversy.

(6) Providing that the Board shall maintain such books and records (which shall be available to the Secretary for inspection and audit) and prepare and submit

such reports from time to time to the Secretary, as the Secretary may prescribe, including reports requiring an appropriate accounting by the Board with respect to the receipt and disbursement of all funds entrusted to the Board.

(7) Providing that the Board, with the approval of the Secretary, may enter into contracts or agreements for the development and conduct of the activities authorized under the order under terms and conditions specified in subsection (a) of section 115 of this subtitle for the payment of the cost thereof with funds collected through the assessments under the order. Any such contract or agreement shall provide that (A) the contractors shall develop and submit to the Board a plan or project together with a budget or budgets that shall show estimated costs to be incurred for such plan or project, and (B) the plan or project shall become effective upon the approval of the Secretary, and (C) the contracting party shall keep accurate records of all of its transactions and make periodic reports to the Board of activities conducted and an accounting for funds received and expended, and such other reports as the Secretary may require.

(8) Providing that the Board, with the approval of the Secretary, may invest, pending disbursement under



a plan or project, funds collected through assessments authorized under this subtitle only in obligations of the United States or any agency thereof, in general obligations of any State or any political subdivision thereof, in any interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System, or in obligations fully guaranteed as to principal and interest by the United States.

(9) Providing that no funds collected by the Board under the order shall in any manner be used for the purpose of influencing any governmental policy or action, except as provided by paragraph (1)(D) of this section.

(10) Providing that the Board members shall serve without compensation, but shall be reimbursed for their reasonable expenses incurred in performing their duties as members of the Board, including a per diem allowance as recommended by the Board and approved by the Secretary.

#### PERMISSIVE TERMS IN ORDERS

SEC. 115. Orders issued under this subtitle may contain one or more of the following terms and conditions:

(1) Providing for the establishment, issuance, effectuation, and administration of appropriate plans or projects for advertising and promotion of the sale and

consumption of dairy products, and for the disbursement of necessary funds for such purposes: *Provided*, That any such plan or project shall be directed toward the sale and marketing or use of dairy products to the end that the marketing and use of dairy products may be encouraged, expanded, improved, or made more acceptable and shall make no reference to private brand or trade name: *Provided further*, That no such advertising or sales promotion program shall make use of unfair or deceptive acts or practices with respect to the quality, value, or use of any competing product: *And provided further*, That during the two-year period beginning on the effective date of an order first issued under this section, fluid milk products may not be promoted under this subtitle.

(2) Providing that operators of plants receiving from producers milk for commercial use maintain and make available for inspection such books and records as may be required by any order issued under section 1113(a) of this subtitle; and providing for the filing of reports by such persons at the time, in the manner, and having content prescribed by the order, to the end that information and data appropriate or necessary to the effectuation, administration, or enforcement of this subtitle, or any order or regulation issued under section

1 113(a) of this subtitle shall be made available to the  
 2 Secretary: *Provided*, That all information so obtained  
 3 shall be kept confidential by all officers and employees  
 4 of the Department, and only such information so fur-  
 5 nished or acquired as the Secretary deems relevant  
 6 shall be disclosed by them and then only in a suit or  
 7 administrative hearing brought at the direction, or  
 8 upon the request, of the Secretary, or to which the  
 9 Secretary or any officer of the United States is a  
 10 party, and involving the order with reference to which  
 11 the information to be disclosed was furnished or ac-  
 12 quired. Nothing in this paragraph shall be deemed to  
 13 prohibit (A) the issuance of general statements, based  
 14 upon the reports, or the number of persons subject to  
 15 an order or statistical data collected therefrom, which  
 16 statements do not identify the information furnished by  
 17 any person, or (B) the publication, by direction of the  
 18 Secretary, of the name of any person violating any  
 19 order, together with a statement of the particular pro-  
 20 visions of the order violated by such persons. No infor-  
 21 mation obtained under the authority of this subtitle  
 22 may be made available to any agency or officer of the  
 23 Government for any purpose other than the implemen-  
 24 tation of this subtitle and any investigatory or enforce-  
 25 ment actions necessary for the implementation of this

1 subtitle. Any person violating the provisions of this  
 2 subsection, upon conviction, shall be subject to a fine of  
 3 not more than \$1,000, or to imprisonment for not more  
 4 than one year, or to both, and, if an officer or employ-  
 5 ee of the Board or the Department, shall be removed  
 6 from office.

7 (3) Providing terms and conditions incidental to  
 8 and not inconsistent with the terms and conditions  
 9 specified in this subtitle and necessary to effectuate the  
 10 other provisions of such order.

#### 11 CERTIFICATION OF ORGANIZATIONS

12 SEC. 116. (a) The eligibility of any organization to rep-  
 13 resent milk producers, to request the issuance of an order  
 14 under section 113(a) of this subtitle and to participate in the  
 15 making of nominations under section 114(2) of this subtitle  
 16 shall be certified by the Secretary. The Secretary shall certi-  
 17 fy any organization that the Secretary determines meets the  
 18 eligibility criteria established by the Secretary under this sec-  
 19 tion, and the Secretary's determination as to eligibility shall  
 20 be final.

21 (b) Certification shall be based, in addition to other  
 22 available information, upon a factual report submitted by the  
 23 organization, which shall contain information deemed rele-  
 24 vant and specified by the Secretary for the making of such  
 25 determination, including the following:

1 (1) The geographic territory covered by the orga-  
2 nization's active membership.

3 (2) The nature and size of the organization's  
4 active membership, including the proportion of the total  
5 number of active milk producers represented by the or-  
6 ganization.

7 (3) Evidence of stability and permanency of the  
8 organization.

9 (4) Identification of the sources from which the  
10 organization's operating funds are derived.

11 (5) The functions of the organization.

12 (6) A statement describing the organization's abil-  
13 ity and willingness to further the aims and objectives of  
14 this subtitle.

15 The primary considerations in determining the eligibility of  
16 an organization shall be whether its membership consists pri-  
17 marily of milk producers who produce a substantial volume of  
18 milk and whether the primary or overriding interest of the  
19 organization is in the production of milk and dairy products.

#### 20 REQUIREMENT OF REFERENDUM

21 SEC. 117. (a) The Secretary shall conduct a referendum  
22 as soon as practicable among producers who during a repre-  
23 sentative period (as determined by the Secretary), have been  
24 engaged in the production of milk for-commercial use for the  
25 purpose of ascertaining whether the issuance of an order is

1 approved or favored by the producers. No order issued under  
2 this subtitle may be effective unless the Secretary determines  
3 that the issuance of such order is approved or favored by not  
4 less than one-half of the producers voting in the referendum.

5 (b) The Secretary shall be reimbursed from assessments  
6 collected by the Board for any expenses (other than salary  
7 payments to Government employees) incurred for the conduct  
8 of the referendum.

#### 9 SUSPENSION AND TERMINATION OF ORDERS

10 SEC. 118. (a) The Secretary shall, whenever the Secre-  
11 tary finds that any order issued under this subtitle or any  
12 provision thereof obstructs or does not tend to effectuate the  
13 declared policy of this subtitle, terminate or suspend the op-  
14 eration of such order or such provisions thereof.

15 (b) The Secretary may conduct a referendum at any  
16 time, and shall hold a referendum on request of a representa-  
17 tive group comprising 10 per centum or more of the number  
18 of producers subject to the order, to determine whether the  
19 producers favor the termination or suspension of the order.  
20 The Secretary shall suspend or terminate the order within six  
21 months after the Secretary determines that suspension or ter-  
22 mination of the order is approved or favored by a majority of  
23 the producers voting in the referendum who, during a repre-  
24 sentative period (as determined by the Secretary), have been  
25 engaged in the production of milk for commercial use.

1 (c) Prior to the fifth anniversary of any order issued  
 2 under this subtitle, the Secretary shall conduct a referendum  
 3 to determine if producers support continuation of such order.  
 4 The Secretary shall terminate such order unless its continu-  
 5 ation is approved or favored by a majority of producers  
 6 voting in the referendum who, during a representative period  
 7 (as determined by the Secretary), have been engaged in the  
 8 production of milk for commercial use.

9 (d) The termination or suspension of any order, or any  
 10 provision thereof, shall not be considered an order within the  
 11 meaning of this subtitle.

#### 12 COOPERATIVE ASSOCIATION REPRESENTATION

13 SEC. 119. Whenever, pursuant to the provisions of this  
 14 subtitle, the Secretary is required to determine the approval  
 15 or disapproval of producers, the Secretary shall consider the  
 16 approval or disapproval by any bona fide cooperative associ-  
 17 ation of producers, engaged in marketing milk or dairy prod-  
 18 ucts as the approval or disapproval of the producers who are  
 19 members of or under contract with such cooperative associ-  
 20 ation of producers: *Provided*, That if a cooperative associ-  
 21 ation of producers elects to exercise this prerogative on  
 22 behalf of its members, such cooperative association shall pro-  
 23 vide each producer on whose behalf the cooperative associ-  
 24 ation is expressing approval or disapproval a description of  
 25 the question presented in the referendum together with a

1 statement of the manner in which the cooperative association  
 2 vote was cast on behalf of the membership. Such information  
 3 shall inform the producer of procedures to follow to cast an  
 4 individual ballot should such producer choose to vote. Such  
 5 individual ballots shall be tabulated by the Secretary and the  
 6 vote of the cooperative association shall be adjusted to reflect  
 7 such individual votes.

#### 8 PETITION AND REVIEW

9 SEC. 120. (a) Any person subject to any order may file,  
 10 with the Secretary a petition stating that any such order, any  
 11 provision of such order, or any obligation imposed in connec-  
 12 tion with such order is not in accordance with law and pray-  
 13 ing for a modification thereof or for an exemption therefrom.  
 14 The petitioner shall thereupon be given an opportunity for a  
 15 hearing upon such petition, in accordance with regulations  
 16 issued by the Secretary. After such hearing, the Secretary  
 17 shall make a ruling upon the prayer of such petition, which  
 18 shall be final, if in accordance with law.

19 (b) The district courts of the United States in any dis-  
 20 trict in which such person is an inhabitant, or carries on busi-  
 21 ness, are hereby vested with jurisdiction to review such  
 22 ruling, if a complaint for the purpose is filed within twenty  
 23 days from the date of the entry of such ruling. Service of  
 24 process in such proceedings may be had upon the Secretary  
 25 by delivering a copy of the complaint to the Secretary. If the

1 court determines that such ruling is not in accordance with  
 2 law, it shall remand such proceedings to the Secretary with  
 3 directions either (1) to make such ruling as the court shall  
 4 determine to be in accordance with law, or (2) to take such  
 5 further proceedings as, in its opinion, the law requires.

#### 6 ENFORCEMENT

7 SEC. 121. (a) The district courts of the United States  
 8 are vested with jurisdiction specifically to enforce, and to pre-  
 9 vent and restrain any person from violating, any order or  
 10 regulation made or issued under this subtitle. Any such civil  
 11 action authorized to be brought under this subsection shall be  
 12 referred to the Attorney General for appropriate action: *Pro-*  
 13 *vided*, That nothing in this subtitle may be construed as re-  
 14 quiring the Secretary to refer to the Attorney General minor  
 15 violations of this subtitle whenever the Secretary believes  
 16 that the administration and enforcement of this subtitle would  
 17 be adequately served by suitable written notice or warning to  
 18 any person committing such violation.

19 (b) Any person who willfully violates any provision of  
 20 any order issued by the Secretary under this subtitle or who  
 21 willfully fails or refuses to remit any assessment or fee duly  
 22 required thereunder, shall be liable to a penalty (to be as-  
 23 sessed by the Secretary) of not more than \$1,000 for each  
 24 such violation which shall accrue to the United States and  
 25 may be recovered in a civil suit brought by the United States.

1 (c) The remedies provided in subsections (a) and (b) of  
 2 this section shall be in addition to, and not in lieu of, the  
 3 remedies otherwise provided at law or in equity.

#### 4 INVESTIGATIONS; POWER TO SUBPENA AND TAKE OATHS

#### 5 AND AFFIRMATIONS; AID OF COURTS

6 SEC. 122. The Secretary may make such investigations  
 7 as the Secretary deems necessary for the effective adminis-  
 8 tration of this subtitle or to determine whether any person  
 9 subject to the provisions of this subtitle has engaged or is  
 10 about to engage in any act or practice that constitutes or will  
 11 constitute a violation of any provision of this subtitle or of  
 12 any order, rule, or regulation issued under this subtitle. For  
 13 the purpose of such investigation, the Secretary is empow-  
 14 ered to administer oaths and affirmations, subpoena witnesses,  
 15 compel their attendance, take evidence and require the pro-  
 16 duction of any books, papers, and documents that are rele-  
 17 vant to the inquiry. Such attendance of witnesses and the  
 18 production of any such records may be required from any  
 19 place in the United States. In case of contumacy by, or refus-  
 20 al to obey a subpoena to, any person, the Secretary may  
 21 invoke the aid of any court of the United States within the  
 22 jurisdiction of which such investigation or proceeding is car-  
 23 ried on, or where such person resides or carries on business,  
 24 in requiring the attendance and testimony of witnesses and  
 25 the production of books, papers, and documents. Such court

1 may issue an order requiring such person to appear before  
 2 the Secretary, there to produce records, as so ordered, or to  
 3 give testimony touching the matter under investigation. Any  
 4 failure to obey such order of the court may be punished by  
 5 such court as a contempt thereof. All process in any such  
 6 case may be served in the judicial district whereof such  
 7 person is an inhabitant or wherever such person may be  
 8 found.

#### 9 ADMINISTRATIVE PROVISIONS

10 SEC. 123. (a) Nothing in this subtitle may be construed  
 11 to preempt or supersede any other program relating to dairy  
 12 product promotion organized and operating under the laws of  
 13 the United States or any State.

14 (b) The provisions of this subtitle applicable to orders  
 15 shall be applicable to amendments to orders.

#### 16 AUTHORIZATIONS

17 SEC. 124. There are hereby authorized to be appropri-  
 18 ated such sums as may be necessary to carry out the provi-  
 19 sions of this subtitle. Sums authorized to be appropriated by  
 20 this subtitle shall not be available for payment of the ex-  
 21 penses or obligation incurred by the Board in administering  
 22 any order issued under this subtitle.

#### 23 Subtitle C—Donation of Dairy Products

24 SEC. 130. Section 416 of the Agricultural Act of 1949  
 25 is amended by adding at the end thereof the following: "Not-

1 withstanding any other provision of law, such dairy products  
 2 may be donated for distribution to needy households in the  
 3 United States. Such dairy products may also be donated  
 4 through foreign governments and public and nonprofit private  
 5 humanitarian organizations for the assistance of needy per-  
 6 sons outside the United States, and the Commodity Credit  
 7 Corporation may pay, with respect to commodities so  
 8 donated, reprocessing, packaging, transporting, handling, and  
 9 other charges, including the cost of overseas delivery. In  
 10 order to assure that any such donations for use outside the  
 11 United States are coordinated with and complement other  
 12 United States foreign assistance, such donations shall be co-  
 13 ordinated through the mechanism designated by the Presi-  
 14 dent to coordinate assistance under the Agricultural Trade  
 15 Development and Assistance Act of 1954 and shall be in  
 16 addition to the level of assistance programed under that  
 17 Act."

18 Subtitle D—Adjustment Program for the 1983 Crops of  
 19 Wheat, Feed Grains, Upland Cotton and Rice

#### 20 1983 CROP WHEAT LOANS

21 SEC. 140. Section 107B(a) of the Agricultural Act of  
 22 1949 is amended by adding at the end thereof the following:  
 23 "Notwithstanding the foregoing provision of this subsection,  
 24 the Secretary shall make available to producers loans and

1 purchases for the 1983 crop of wheat at not less than \$3.80  
2 per bushel.”.

3 1983 CROP WHEAT ACREAGE REDUCTION AND DIVERSION  
4 PROGRAM

5 SEC. 141. Section 107B(e)(1) of the Agricultural Act of  
6 1949 is amended by—

7 (1) striking out in the first sentence “Notwith-  
8 standing any other provision of this section, the” and  
9 inserting in lieu thereof “Notwithstanding any other  
10 provision of law—

11 “(A) Except as provided in subparagraph (B)  
12 of this paragraph, the”; and

13 (2) adding at the end thereof the following:

14 “(B) For the 1983 crop of wheat the Secre-  
15 tary shall provide for a combination of (i) an acre-  
16 age limitation program as described under para-  
17 graph (2) or a set-aside program as described  
18 under paragraph (3) and (ii) a diversion program  
19 as described under paragraph (5) under which the  
20 acreage planted to wheat on the farm would be  
21 limited to the acreage base for the farm reduced  
22 by a total of 25 per centum, consisting of a reduc-  
23 tion of 15 per centum under the acreage limita-  
24 tion or set-aside program and a reduction of 10  
25 per centum under the diversion program. As a

1 condition of eligibility for loans, purchases and  
2 payments on the 1983 crop of wheat, the produc-  
3 ers on a farm must comply with the terms and  
4 conditions of the combined acreage limitation or  
5 set-aside program and diversion program.”.

6 WHEAT ACREAGE BASE

7 SEC. 142. Section 107B(e)(2) of the Agricultural Act of  
8 1949 is amended by inserting immediately after the fifth sen-  
9 tence the following: “Notwithstanding any other provision of  
10 this paragraph, the acreage base to be used for the farm  
11 under the programs for the 1983, 1984, and 1985 crops of  
12 wheat shall be the same as the acreage base applicable to the  
13 farm under the acreage limitation program for the 1982 crop,  
14 adjusted to reflect established crop-rotation practices and to  
15 reflect such other factors as the Secretary determines should  
16 be considered in determining a fair and equitable base: *Pro-*  
17 *vided*, That the acreage base for each wheat producing farm  
18 that follows a normal summer-fallow crop rotational practice  
19 and has a 3-year history of such practice shall be calculated  
20 by multiplying one-half the announced acreage limitation or  
21 set-aside percentage by the acreage annually idled and devot-  
22 ed to conservation practices and adding the result to the  
23 acreage planted on the farm to wheat for harvest in the crop  
24 year immediately preceding the year for which the determi-  
25 nation is made or, at the discretion of the Secretary, the

1 average acreage planted to wheat for harvest in the two crop  
2 years immediately preceding the year for which the determi-  
3 nation is made.”.

4 1983 CROP RETIREMENT AND CONSERVATION PAYMENTS  
5 FOR WHEAT

6 SEC. 143. Section 107B(e)(5) of the Agricultural Act of  
7 1949 is amended by adding at the end thereof the following:  
8 “Notwithstanding the foregoing provision of this paragraph,  
9 the Secretary shall make crop retirement and conservation  
10 payments available to any producer of the 1983 crop of  
11 wheat who participates in the acreage limitation or set-aside  
12 program for such crop of wheat under paragraph (2) or (3) of  
13 this subsection, as applicable, if the permitted acreage for the  
14 farm as determined under such paragraph is reduced by an  
15 amount equivalent to 10 per centum of the acreage base for  
16 the farm in addition to the reduction under such paragraph,  
17 and the producer devotes to approved conservation uses an  
18 equivalent acreage of cropland in addition to the acreage de-  
19 voted to conservation uses under such paragraph. Such pay-  
20 ments shall be made in an amount computed by multiplying  
21 (i) the rate of \$3.00 per bushel by (ii) the farm program pay-  
22 ment yield for the crop, by (iii) the additional acreage divert-  
23 ed under this subsection. The Secretary shall make not less  
24 than 50 per centum of any payments under this paragraph to  
25 producers of the 1983 crop as soon as practicable after a

1 producer enters into a land diversion contract with the Secre-  
2 tary and in advance of any determination of performance. If a  
3 producer fails to comply with a land diversion contract after  
4 obtaining an advance payment under this paragraph, subject  
5 to the provisions of subsection (f), the producer shall repay  
6 the advance immediately and, in accordance with regulations  
7 issued by the Secretary, pay interest on the advance.”.

8 1983 FEED GRAIN LOANS

9 SEC. 144. Section 105B(a)(1) of the Agricultural Act of  
10 1949 is amended by inserting at the end thereof the follow-  
11 ing: “Notwithstanding the foregoing provision of this subsec-  
12 tion, the Secretary shall make available to producers loans  
13 and purchases for the 1983 crop of corn at not less than  
14 \$2.71 per bushel.”.

15 1983 CROP FEED GRAIN ACREAGE REDUCTION AND

16 DIVERSION PROGRAM

17 SEC. 145. Section 105B(e)(1) of the Agricultural Act of  
18 1949 is amended by—

19 (1) striking out in the first sentence “Notwith-  
20 standing any other provision of this section, the” and  
21 inserting in lieu thereof “Notwithstanding any other  
22 provision of law—

23 “(A) Except as provided in subparagraph (B)  
24 of this paragraph, the”; and

25 (2) adding at the end thereof the following:



“(B) If on October 15, 1982, the Secretary estimates that the 1982 crop of corn will be in excess of 7.3 billion bushels, the Secretary shall announce on such date that there will be in effect for the 1983 crop of feed grains a combination of (i) an acreage limitation program as described under paragraph (2) or a set-aside program as described under paragraph (3) and (ii) a diversion program as described under paragraph (5) under which the acreage planted to feed grains on the farm would be limited to the acreage base for the farm reduced by a total of 20 per centum, consisting of a reduction of 10 per centum under the acreage limitation or set-aside program and a reduction of 10 per centum under the diversion program. As a condition of eligibility for loans, purchases and payments on the 1983 crop of feed grains, the producers on a farm must comply with the terms and conditions of the combined acreage limitation or set-aside program and diversion program.”.

#### FEED GRAINS ACREAGE BASE

SEC. 146. Section 105B(e)(2) of the Agricultural Act of 1949 is amended by inserting immediately after the sixth sentence the following: “Notwithstanding any other provision

of this paragraph, the acreage base to be used for the farm under programs for the 1983, 1984, and 1985 crops of feed grains shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base: *Provided*, That the acreage base for each feed grain producing farm that follows a normal summer-fallow crop rotational practice and has a 3-year history of such practice shall be calculated by multiplying one-half the announced acreage limitation or set-aside percentage by the acreage annually idled and devoted to conservation practices and adding the result to the acreage planted on the farm to feed grains for harvest in the crop year immediately preceding the year for which the determination is made or, at the discretion of the Secretary, the average acreage planted to feed grains for harvest in the two crop years immediately preceding the year for which the determination is made.”.

#### 1983 CROP RETIREMENT AND CONSERVATION PAYMENTS

#### FOR FEED GRAINS

SEC. 147. Section 105B(e)(5) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: “Notwithstanding the foregoing provision of this paragraph, if the Secretary announces under paragraph (1)(B) of this

1 subsection that there will be in effect a diversion program on  
 2 the 1983 crop of feed grains, the Secretary shall make crop  
 3 retirement and conservation payments available to any pro-  
 4 ducer of the 1983 crop of feed grains who participates in the  
 5 acreage limitation or set-aside program for such crops of feed  
 6 grains under paragraph (2) or (3) of this subsection, as appli-  
 7 cable, if the permitted acreage for the farm as determined  
 8 under such paragraph is reduced by an amount equivalent to  
 9 10 per centum of the acreage base for the farm in addition to  
 10 the reduction under such paragraph, and the producer de-  
 11 votes to approved conservation uses an equivalent acreage of  
 12 cropland in addition to the acreage devoted to conservation  
 13 uses under such paragraph. Such payment shall be made in  
 14 an amount computed by multiplying (i) the payment rate, by  
 15 (ii) the farm program payment yield for the crop, by (iii) the  
 16 additional acreage diverted under this subsection. The pay-  
 17 ment rate for corn shall be in the amount of \$1.50 per bushel  
 18 and in the case of grain sorghums, oats, and, if designated by  
 19 the Secretary, barley shall be such rate as the Secretary de-  
 20 termines fair and reasonable in relation to the rate at which  
 21 payments are made available for corn. The Secretary shall  
 22 make not less than 50 per centum of any payments under this  
 23 paragraph to producers of the 1983 crop as soon as practica-  
 24 ble after a producer enters into a land diversion contract with  
 25 the Secretary and in advance of any determination of per-

1 formance. If a producer fails to comply with a land diversion  
 2 contract after obtaining an advance payment under this para-  
 3 graph, subject to the provisions of subsection (f), the producer  
 4 shall repay the advance immediately and, in accordance with  
 5 regulations issued by the Secretary, pay interest on the ad-  
 6 vance.”.

#### 7 1983 CROP UPLAND COTTON ACREAGE REDUCTION

#### 8 PROGRAM

9 SEC. 148. Section 103(g)(9)(A) of the Agricultural Act  
 10 of 1949 is amended by—

11 (1) inserting immediately after the third sentence  
 12 the following: “If the Secretary should make the deter-  
 13 mination referred to in the first sentence of this subpar-  
 14 agraph for the 1983 crop of upland cotton and estab-  
 15 lish an acreage reduction program for such crop, the  
 16 Secretary shall provide that 25 per centum of any re-  
 17 duction required in the acreage base for the farm shall  
 18 be made under the diversion program provided in sub-  
 19 paragraph (B) and the balance of the reduction shall be  
 20 made under an acreage limitation program as provided  
 21 in this subparagraph. In such event, as a condition of  
 22 eligibility for loans, purchases and payments on the  
 23 1983 crop of upland cotton the producers on a farm  
 24 must comply with the combined acreage limitation and  
 25 diversion program.”.

(2) inserting immediately after the eighth sentence (after the addition of paragraph (1) of this amendment) the following: "Notwithstanding any other provision of this subparagraph, the acreage base to be used for the farm under the programs for the 1983, 1984, and 1985 crops of upland cotton shall be the same as the acreage base applicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base."

#### 1983 CROP RETIREMENT AND CONSERVATION PAYMENTS

##### FOR UPLAND COTTON

SEC. 149. Section 103(g)(9)(B) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing provision of this paragraph, the Secretary shall make crop retirement and conservation payments available to any producer of the 1983 crop of upland cotton who participates in the acreage limitation program for such crop of upland cotton under subparagraph (A), if the permitted acreage for the farm as determined under such subparagraph is reduced by an amount equivalent to the reduction required by the Secretary to be made under this subparagraph in addition to the reduction made under the acreage limitation program, and the producer devotes to ap-

proved conservation uses an equivalent acreage of cropland in addition to the acreage devoted to conservation uses under such acreage limitation program. Such payments shall be made in an amount computed by multiplying (i) the rate of \$.25 per pound by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this subparagraph. The Secretary shall make not less than 50 per centum of any payments under this subparagraph to producers of the 1983 crop as soon as practicable after a producer enters into a land diversion contract with the Secretary and in advance of any determination of performance. If a producer fails to comply with a land diversion contract after obtaining an advance payment under this subparagraph, subject to the provisions of paragraph (13), the producer shall repay the advance immediately and, in accordance with regulations issued by the Secretary, pay interest on the advance."

#### 1983 CROP RICE ACREAGE REDUCTION AND DIVERSION

##### PROGRAM

SEC. 150. Section 101(i)(5)(A) of the Agricultural Act of 1949 is amended by—

(1) striking out in the first sentence "Notwithstanding any other provision of this subsection, the" and inserting in lieu thereof "Notwithstanding any other provision of law, except as provided in the third and fourth sentences of this paragraph, the";

(2) inserting immediately after the second sentence of this paragraph the following: "If on November 15, 1982, the Secretary estimates that the 1982 crop of rice will be in excess of 145 million hundredweight, rough rice basis, the Secretary shall announce on such date that there will be in effect for the 1983 crop of rice a combination of (i) an acreage limitation program as described in this paragraph and (ii) a diversion program as described under paragraph (B) under which the acreage planted to rice on the farm would be limited to the acreage base for the farm reduced by a total of 20 per centum, consisting of a reduction of 10 per centum under the acreage limitation program and a reduction of 10 per centum under the diversion program. As a condition of eligibility for loans, purchases and payments on the 1983 crop of rice, the producers on a farm must comply with the terms and conditions of the combined acreage limitation and diversion program."; and

(3) inserting immediately after the ninth sentence (after the addition of paragraph (2) of this amendment) the following: "Notwithstanding any other provision of this subparagraph, the acreage base to be used for the farm under programs for the 1983, 1984, and 1985 crops of rice shall be the same as the acreage base ap-

plicable to the farm under the acreage limitation program for the 1982 crop, adjusted to reflect established crop-rotation practices and to reflect such other factors as the Secretary determines should be considered in determining a fair and equitable base."

#### 1983 CROP RETIREMENT AND CONSERVATION PAYMENTS

##### FOR RICE

SEC. 151. Section 101(i)(5)(B) of the Agricultural Act of 1949 is amended by adding at the end thereof the following: "Notwithstanding the foregoing provision of this paragraph, if the Secretary announces that there will be in effect a diversion program on the 1983 crop of rice, the Secretary shall make crop retirement and conservation payments available to any producer of the 1983 crop of rice who participates in the acreage limitation program for such crop of rice under subparagraph (A), if the permitted acreage for the farm is reduced by an amount equivalent to 10 per centum of the acreage base for the farm in addition to the reduction under subparagraph (A), and the producer devotes to approved conservation uses an equivalent acreage of cropland in addition to the acreage devoted to conservation uses under such subparagraph. Such payment shall be made in an amount computed by multiplying (i) a payment rate of \$3.00 per hundredweight by (ii) the farm program payment yield for the crop, by (iii) the additional acreage diverted under this subparagraph. The

1 Secretary shall make not less than 50 per centum of any  
 2 payments under this subparagraph to producers of the 1983  
 3 crop as soon as practicable after a producer enters into a land  
 4 diversion contract with the Secretary and in advance of any  
 5 determination of performance. If a producer fails to comply  
 6 with a land diversion contract after obtaining an advance  
 7 payment under this subparagraph, subject to the provisions of  
 8 paragraph (8), the producer shall repay the advance immedi-  
 9 ately and, in accordance with regulations issued by the Sec-  
 10 retary, pay interest on the advance.”.

#### 11 Subtitle E—Food Stamp Act Amendments of 1982

##### 12 SHORT TITLE

13 SEC. 160. This subtitle may be cited as the “Food  
 14 Stamp Act Amendments of 1982”.

##### 15 HOUSEHOLD DEFINITION

16 SEC. 161. Section 3(i) of the Food Stamp Act of 1977  
 17 (7 U.S.C. 2012(i)) is amended by—

18 (1) in the first sentence, striking out “parents and  
 19 children” and inserting in lieu thereof “parents and  
 20 children, or siblings,”; and inserting “or siblings” after  
 21 “the parents”; and

22 (2) inserting after the first sentence a new sen-  
 23 tence as follows: “Notwithstanding paragraph (1) of  
 24 the preceding sentence, an individual who lives with  
 25 others, who is 60 years of age or older, and who is

1 unable to purchase food and prepare meals because  
 2 such individual suffers, as certified by a licensed physi-  
 3 cian, from a disability which would be considered a  
 4 permanent disability under section 221(i) of the Social  
 5 Security Act (42 U.S.C. 421(i)) or from severe, perma-  
 6 nent, and disabling physical or mental infirmity which  
 7 is not symptomatic of a disease shall be considered, to-  
 8 gether with any of the others who is the spouse of  
 9 such individual, an individual household without regard  
 10 to the purchase of food and preparation of meals if the  
 11 income of the others (as computed under section 5(d)  
 12 for purposes of determining, without regard to such in-  
 13 dividual and spouse, eligibility to receive food stamp  
 14 benefits) does not exceed 165 per centum of the appli-  
 15 cable nonfarm income poverty guideline prescribed by  
 16 the Office of Management and Budget, adjusted as de-  
 17 scribed in section 5(c), for a household excluding such  
 18 individual and spouse.”.

##### 19 ROUNDING DOWN

20 SEC. 162. (a) The second sentence of section 3(o) of the  
 21 Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended by—

22 (1) in clause (1), inserting “(based on the un-  
 23 rounded cost of such diet)” after “adjustments”; and

24 (2) in each of clauses (6) and (7), striking out  
 25 “nearest dollar increment” each place it appears and

1 inserting in lieu thereof "nearest lower dollar incre-  
2 ment for each household size".

3 (b) Section 5(e) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2014(e)) is amended by—

5 (1) in the second sentence, striking out "nearest  
6 \$5 increment" each place it appears and inserting in  
7 lieu thereof "nearest lower dollar increment"; and

8 (2) in the proviso to clause (2) of the fourth sen-  
9 tence, striking out "nearest \$5 increment" each place  
10 it appears and inserting in lieu thereof "nearest lower  
11 dollar increment".

12 (c) The first sentence of section 8(a) of the Food Stamp  
13 Act of 1977 (7 U.S.C. 2017(a)) is amended by inserting  
14 "lower" after "nearest".

15 DISABLED VETERANS AND SURVIVORS

16 SEC. 163. (a) Section 3 of the Food Stamp Act of 1977  
17 (7 U.S.C. 2012) is amended by adding at the end thereof a  
18 new subsection as follows:

19 "(r) 'Elderly or disabled member' means a member of a  
20 household who—

21 "(1) is sixty years of age or older;

22 "(2) receives supplemental security income bene-  
23 fits under title XVI of the Social Security Act (42  
24 U.S.C. 1381 et seq.);

1 "(3) receives disability or blindness payments  
2 under title I, II, X, XIV, or XVI of the Social Secu-  
3 rity Act (42 U.S.C. 301 et seq.);

4 "(4) is a veteran who—

5 "(A)(i) has a wartime disability, peacetime  
6 disability, or disability by treatment or vocational  
7 rehabilitation, which is rated as total under sec-  
8 tion 314, 334, or 351, respectively, of title 38,  
9 United States Code; or

10 "(ii) is considered in need of regular aid and  
11 attendance or permanently housebound under any  
12 such section; or

13 "(iii) is considered permanently and totally  
14 disabled, in need of regular aid and attendance, or  
15 permanently housebound under subsection (a), (b),  
16 or (c), respectively, of section 502 of title 38,  
17 United States Code;

18 "(5) is a surviving spouse of a veteran and—

19 "(A) is considered in need of regular aid and  
20 attendance or permanently housebound under sub-  
21 section (d) or (e), respectively, of section 541 of  
22 title 38, United States Code; or

23 "(B) receives veterans' compensation for a  
24 service-connected death or pension benefits for a  
25 non-service-connected death under section 321 or

subchapter III of chapter 15, respectively, of title 38, United States Code, and has a disability considered permanent under section 221(i) of the Social Security Act (42 U.S.C. 421(i)); or

“(6) is a child of a veteran and—

“(A) is considered permanently incapable of self-support under section 414 of title 38, United States Code; or

“(B) receives veterans’ compensation for a service-connected death or pension benefits for a non-service-connected death under section 321 or subchapter III of chapter 15, respectively, of title 38, United States Code, and has a disability considered permanent under section 221(l) of the Social Security Act (42 U.S.C. 421(i)).”

(b) The first sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking out “sixty” and all that follows through “Act” the second place it appears and inserting in lieu thereof “an elderly or disabled member”.

(c) Section 5(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(c)(1)) is amended by striking out “a member who is” and all that follows through “Act” the second place it appears and inserting in lieu thereof “an elderly or disabled member”.

(d) Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) in the fourth sentence, striking out “a member” and all that follows through “Act” the second place it appears and inserting in lieu thereof “an elderly or disabled member”;

(2) in the fifth sentence—

(A) striking out “a member” and all that follows through “Act” the second place it appears and inserting in lieu thereof “an elderly or disabled member”; and

(B) in clause (A), striking out “household” and all that follows through “Act” the second place it appears and inserting in lieu thereof “elderly or disabled members”.

(e) The first sentence of section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended by striking out “sixty years” and all that follows through “Act” the second place it appears and inserting in lieu thereof “elderly or disabled members”.

#### COORDINATION OF COST-OF-LIVING ADJUSTMENTS

SEC. 164. Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by—

(1) at the end of clause (10), striking out “and”;

and

(2) adding before the period at the end thereof the following: “, and (12) through September 30 of any fiscal year, any increase in income attributable to a cost-of-living adjustment made on or after July 1 of such fiscal year under titles II or XVI of the Social Security Act (42 U.S.C. 401 et seq.), section 3(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(1)), or section 3112 of title 38, United States Code, if the household was certified as eligible to participate in the food stamp program or received an allotment in the month immediately preceding the adjustment”.

#### ADJUSTMENT OF DEDUCTIONS

SEC. 165. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) in clause (1) in the second sentence, striking out “July 1, 1983” and inserting in lieu thereof “October 1, 1983”; and

(2) in subdivision (i) of the proviso to clause (2) in the fourth sentence, striking out “July 1, 1983” and inserting in lieu thereof “October 1, 1983”.

#### STANDARD UTILITY ALLOWANCES

SEC. 166. Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by—

(1) inserting after the fourth sentence the following: “In computing the excess shelter expense deduction under clause (2) of the preceding sentence, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance which does not fluctuate within a year to reflect seasonal variations. An allowance for a heating or cooling expense may not be used for a household that does not incur a heating or cooling expense, as the case may be, or does incur a heating or cooling expense but is located in a public housing unit which has central utility meters and charges households with regard to such expense only for excess utility costs. No such allowance may be used for a household that shares such expense with, and lives with, another individual not participating in the food stamp program, another household participating in the food stamp program, or both, unless the allowance is prorated between the other individual, household, or both.”; and

(2) in subclause (B) of the last sentence, striking out “preceding sentence” and inserting in lieu thereof “fourth sentence of this subsection”.



## AVERAGING INCOME

1  
2 SEC. 167. Section 5(f)(1) of the Food Stamp Act of  
3 1977 (7 U.S.C. 2014(f)(1)) is amended by inserting after sub-  
4 paragraph (B) a new subparagraph as follows:

5 “(C) In computing household income under  
6 this section, household income that is received on  
7 a regular weekly or biweekly basis from the same  
8 source(s) shall be converted to a monthly  
9 amount.”.

## MIGRANT FARMWORKERS

10  
11 SEC. 168. The last sentence of section 5(f)(4) of the  
12 Food Stamp Act of 1977 (7 U.S.C. 2014(f)(4)) is amended by  
13 inserting after “subsection” the following: “(except the provi-  
14 sions of paragraph (2)(A) of this subsection relating to mi-  
15 grant farmworker households)”.

## ELIMINATION OF STUDIES AND REPORTS

16  
17 SEC. 169. (a) The second sentence of section 5(g) of the  
18 Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by  
19 striking out “(1)” and “, and (2)” and all that follows through  
20 “1978”.

21 (b) Section 8(a) of the Food Stamp Act of 1977 (7  
22 U.S.C. 2017(a)) is amended by striking out the last sentence.

23 (c) Section 17 of the Food Stamp Act of 1977 (7 U.S.C.  
24 2026) is amended by—

25 (1) striking out subsections (d) and (e); and

(2) redesignating subsection (f) as subsection (d).

## CATEGORICAL ELIGIBILITY

1  
2  
3 SEC. 170. Section 5 of the Food Stamp Act of 1977 (7  
4 U.S.C. 2014) is amended by adding at the end thereof a new  
5 subsection as follows:

6 “(j) Notwithstanding subsections (a) through (i), a State  
7 agency may consider a household in which all members of the  
8 household receive benefits under a State plan approved under  
9 part A of title IV of the Social Security Act (42 U.S.C. 601  
10 et seq.) and whose income does not exceed the applicable  
11 income standard of eligibility described in subsection (c) to  
12 have satisfied the resource requirements prescribed under  
13 subsection (g).”.

## IMPROVEMENT IN COST-EFFECTIVENESS OF MONTHLY

## REPORTING SYSTEMS

14  
15  
16 SEC. 171. The first sentence of section 6(c)(1) of the  
17 Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended  
18 by—

19 (1) inserting “adult” between “all” and “mem-  
20 bers”; and

21 (2) adding, after “Secretary”, the following: “,  
22 except that with the prior approval of the Secretary, a  
23 State agency may select categories of households  
24 which may report at specified less frequent intervals  
25 upon the State agency’s showing to the satisfaction of

the Secretary that to require households in such categories to report monthly would result in unwarranted expenditures for administration of this subsection”.

#### REQUIREMENTS APPLICABLE TO JOB SEARCH

SEC. 172. Section 6(d)(1)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(1)(ii)) is amended by inserting, after “Secretary”, the following: “, which may include a requirement that, at the option of the State agency, such reporting and inquiry commence at the time of application”.

#### VOLUNTARILY QUITTING A JOB

SEC. 173. Section 6(d)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 6(d)(1)(iii)) is amended by striking out “sixty days” in the proviso and inserting in lieu thereof “ninety days”.

#### ALTERNATIVE ISSUANCE SYSTEM

SEC. 174. Section 7 of the Food Stamp Act of 1977 (7 U.S.C. 2016) is amended by inserting at the end thereof a new subsection as follows:

“(g) The Secretary may require State agencies—

“(1) to issue or deliver coupons using alternative methods, including an automatic data processing and information retrieval system; or

“(2) to issue, in lieu of coupons, a reusable document to be used as part of an automatic data processing and information retrieval system and to be present-

ed by, and returned to, recipients at retail food stores for the purpose of purchasing food;

if the Secretary determines, in consultation with the Inspector General of the Department of Agriculture, that the use of such document or such system is necessary to improve the integrity of the food stamp program: *Provided*, That the cost of such document or system shall not be imposed upon retail food stores participating in the food stamp program.”.

#### ELIMINATION OF INITIAL MONTH ALLOTMENTS OF UNDER

#### TEN DOLLARS

SEC. 175. The first sentence of section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by inserting before the period at the end thereof the following: “, except that no allotment may be issued to a household for the initial month or period if the value of the allotment which such household would otherwise be eligible to receive under this subsection is less than \$10”.

#### DISCLOSURE OF INFORMATION

SEC. 176. Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting before “, except that (A)” the following: “or of direct Federal assistance programs and Federally-assisted State programs”.

#### EXPEDITED SERVICE

SEC. 177. Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended to read as follows:

“(9) that a destitute migrant or a seasonal farm worker household in accordance with the regulations governing such households in effect July 1, 1982, and any other household in immediate need because of no income as defined in sections 5(d) and (e) of this Act receive coupons on an expedited basis;”.

#### PROMPT REDUCTION OR TERMINATION OF BENEFITS

SEC. 178. Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting after “earlier” the following: “; except that in any case in which the State agency receives from the household a written statement containing information that clearly requires a reduction or termination of the household’s benefits, the State agency may act immediately to reduce or terminate the household’s benefits and may provide notice of its action to the household as late as the date on which the action becomes effective”.

#### DUPLICATION OF BENEFITS

SEC. 179. Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by—

(1) in paragraph (16), striking out the period at the end thereof and inserting in lieu thereof a semicolon;

(2) in paragraph (20), striking out “and” at the end thereof;

(3) in paragraph (21), striking out the period at the end thereof and inserting in lieu thereof “; and”; and

(4) adding at the end thereof a new paragraph as follows:

“(22) that the State agency shall determine, not less frequently than annually—

“(A) whether households participating in the food stamp program include as members individuals who, under section 6(g), may not be considered members of such households; and

“(B) whether households participating in projects conducted under section 17(b)(1) receive both coupons and any assistance provided under such projects in lieu of coupons.”.

#### ERROR RATE REDUCTION SYSTEM

SEC. 180. (a) Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by—

(1) amending subsection (c) to read as follows:

“(c) The Secretary is authorized to adjust a State agency’s federally funded share of administrative costs pursuant to subsection (a), other than the costs already shared in excess of 50 per centum under the proviso in the first sentence of subsection (a) or under subsection (g), by increasing such

1 share to 60 per centum of all such administrative costs in the  
2 case of a State agency which has—

3 “(1) a payment error rate as defined in subsection  
4 (d)(1) which, when added to the total percentage of all  
5 allotments underissued to eligible households by the  
6 State agency, is less than 5 per centum; and

7 “(2) a rate of invalid decisions in denying eligibil-  
8 ity which is less than a nationwide percentage which  
9 the Secretary determines to be reasonable.”;

10 (2) striking out subsections (d), (e), and (g), and  
11 redesignating subsections (f), (h), and (i) as subsections  
12 (e), (f), and (g), respectively; and

13 (3) inserting after subsection (c) a new subsection  
14 as follows:

15 “(d)(1) As used in this subsection, the term ‘payment  
16 error rate’ means the total percentage of all allotments issued  
17 in a fiscal year by a State agency which are either—

18 “(A) issued to households which fail to meet basic  
19 program eligibility requirements; or

20 “(B) overissued to eligible households.

21 “(2)(A) The Secretary shall institute an error rate  
22 reduction program under which, if a State agency’s  
23 payment error rate exceeds—

24 “(i) 9 per centum for fiscal year 1983,

25 “(ii) 7 per centum for fiscal year 1984, or

1 “(iii) 5 per centum for fiscal year 1985 or any  
2 fiscal year thereafter,

3 then the Secretary shall, other than for good cause shown or  
4 as provided in subparagraph (B), reduce the State agency’s  
5 federally funded share of administrative costs provided pursu-  
6 ant to subsection (a), other than the costs already shared in  
7 excess of 50 per centum under the proviso in the first sen-  
8 tence of subsection (a) or under subsection (g), by the  
9 amounts required under paragraph (3).

10 “(B) The Secretary may not reduce a State agency’s  
11 federally funded share of administrative costs pursuant to  
12 subparagraph (A)—

13 “(i) on the basis of the State agency’s payment  
14 error rate for fiscal year 1983, if such payment error  
15 rate represents a reduction from the State agency’s  
16 payment error rate for the period beginning on October  
17 1, 1980, and ending on March 31, 1981, of at least  
18 33.3 per centum of the difference between the State  
19 agency’s payment error rate for such period and 5 per  
20 centum; or

21 “(ii) on the basis of the State agency’s payment  
22 error rate for fiscal year 1984, if such payment error  
23 rate represents a reduction from the State agency’s  
24 payment error rate for the period beginning on October  
25 1, 1980, and ending on March 31, 1981, of at least

66.7 per centum of the difference between the State agency's payment error rate for such period and 5 per centum.

“(3)(A) The Secretary shall reduce a State agency's federally funded share of administrative costs, except as provided in subparagraph (B), by—

“(i) 5 per centum for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); and

“(ii) if the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum, an additional 5 per centum (for a total of 10 per centum) for each per centum or fraction thereof that the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2) by more than 3 per centum.

“(B) The Secretary may not reduce a State agency's federally funded share of administrative costs for a fiscal year by an amount that exceeds the product of multiplying—

“(i) the per centum by which the State agency's payment error rate exceeds the maximum payment error rate allowed for the fiscal year under paragraph (2); by

“(ii) the total dollar value of all coupons issued by the State agency during the fiscal year.

“(4) The Secretary may require a State agency to report any factors which the Secretary considers necessary to determine the appropriate level of a State agency's federally funded share of administrative costs under this subsection. If a State agency fails to meet the reporting requirements established by the Secretary, the Secretary shall base the determination on all pertinent information available to the Secretary.

“(5) If the Secretary reduces a State agency's federally funded share of administrative costs under this subsection, the State may seek administrative and judicial review of the action pursuant to section 14.”

(b) Section 11(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(3)) is amended by—

(1) striking out “subsections (h) and (i) of section 16” and inserting in lieu thereof “section 16(e)”; and

(2) striking out “quality control program” and inserting in lieu thereof “error rate reduction program”.

(c) The first sentence of section 18(e) of the Food Stamp Act of 1977 (7 U.S.C. 2027(e)) is amended by striking out “sections 7(f), 11 (g) and (h), 13(b), and 16(g)” and inserting in lieu thereof “sections 7(f), 11 (g) and (h), and 13(b)”.

1 (d) The amendments made by this section shall become  
2 effective on October 1, 1982.

3 BENEFIT IMPACT STUDY

4 SEC. 181. Section 17 of the Food Stamp Act of 1977 (7  
5 U.S.C. 2026), as amended by section 310(c) of this title, is  
6 amended by adding at the end thereof a new subsection as  
7 follows:

8 "(e) The Secretary shall conduct a study of the effects of  
9 reductions made in benefits provided under this Act pursuant  
10 to part 1 of subtitle A of title I of the Omnibus Budget Rec-  
11 onciliation Act of 1981, title XIII of the Agriculture and  
12 Food Act of 1981, and any other laws enacted by the Ninety-  
13 seventh Congress which affect the food stamp program. The  
14 study shall include a study of the effect of retrospective ac-  
15 counting and periodic reporting procedures established under  
16 such Acts, including the impact on benefit and administrative  
17 costs and on error rates and the degree to which eligible  
18 households are denied food stamp benefits for failure to file  
19 complete periodic reports. The Secretary shall submit to the  
20 Committee on Agriculture of the House of Representatives  
21 and Committee on Agriculture, Nutrition, and Forestry of the  
22 Senate an interim report on the results of such study no later  
23 than February 1, 1984 and a final report on the results of  
24 such study no later than March 1, 1985."

1 AUTHORIZATION FOR APPROPRIATIONS

2 SEC. 182. The first sentence of section 18(a)(1) of the  
3 Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended  
4 by:

5 (1) striking out "and" after "September 30,  
6 1981;" and

7 (2) inserting before the period at the end thereof  
8 the following: "; not in excess of \$12,648,000,000 for  
9 the fiscal year ending September 30, 1983; not in  
10 excess of \$12,908,000,000 for the fiscal year ending  
11 September 30, 1984; and not in excess of  
12 \$13,651,000,000 for the fiscal year ending September  
13 30, 1985".

14 PUERTO RICO

15 SEC. 183. (a) Section 19(a)(1)(A) of the Food Stamp Act  
16 of 1977 (7 U.S.C. 2028(a)(1)(A)) is amended by inserting  
17 "noncash" before "food assistance".

18 (b) The amendment made by subsection (a) shall not  
19 apply with respect to any plan submitted under section 19(b)  
20 of the Food Stamp Act of 1977 (7 U.S.C. 2028(b)) by the  
21 Commonwealth of Puerto Rico in order to receive payments  
22 for fiscal year 1982 or fiscal year 1983.

23 (c) The Secretary of Agriculture shall conduct a study of  
24 the impact of making food assistance available to needy per-  
25 sons in the Commonwealth of Puerto Rico in the form of cash

1 under section 19 of the Food Stamp Act of 1977 (7 U.S.C.  
2 2028). The study shall include such impact on both the nutri-  
3 tional status of residents of Puerto Rico and the economy of  
4 Puerto Rico. The Secretary shall submit a report of the find-  
5 ings of such study to the Committee on Agriculture of the  
6 House of Representatives and the Committee on Agriculture,  
7 Nutrition, and Forestry of the Senate not later than six  
8 months after the effective date of this subtitle.

9 REIMBURSEMENT OF POLITICAL SUBDIVISIONS AND STATE  
10 AGENCIES FOR WORKFARE ADMINISTRATIVE EXPENSES

11 SEC. 184. (a) Section 20(g) of the Food Stamp Act of  
12 1977 (7 U.S.C. 2029(g)) is amended by—

13 (1) redesignating paragraph (2) as paragraph (3),  
14 and

15 (2) by inserting after paragraph (1) a new para-  
16 graph as follows:

17 “(2)(A) From 50 per centum of the funds saved  
18 from employment related to a workfare program oper-  
19 ated under this section, the Secretary shall pay to each  
20 operating agency an amount not to exceed the adminis-  
21 trative expenses described in paragraph (1) for which  
22 no reimbursement is provided under such paragraph.

23 “(B) For purposes of subparagraph (A), the term  
24 ‘funds saved from employment related to a workfare  
25 program operated under this section’ means an amount

1 equal to the three times the dollar value of the sum of  
2 the decrease in allotments issued to households, to the  
3 extent that such decrease results from wages received  
4 by members of such households for the first month of  
5 employment beginning after the date such members  
6 commence such employment if such employment com-  
7 mences—

8 “(i) while such members are participating for  
9 the first time in a workfare program operated  
10 under this section; or

11 “(ii) in the thirty-day period beginning on the  
12 date such first participation is terminated.”.

13 (b) The amendments made by this section shall take  
14 effect October 1, 1982.

15 AMENDMENTS MADE BY THE OMNIBUS BUDGET RECON-  
16 CILIATION ACT OF 1981 AND THE AGRICULTURE AND  
17 FOOD ACT OF 1981

18 SEC. 185. (a) Notwithstanding section 117 of the Omni-  
19 bus Budget Reconciliation Act of 1981 (7 U.S.C. 2012 note),  
20 the amendments made by sections 101, 102, 103, 104, 105,  
21 106, 107 (other than subsection (b)), 108 (other than subsec-  
22 tion (c)), 109, 110, 111, 112, 113, and 114 of such Act shall  
23 take effect on the date of the enactment of this subtitle,  
24 unless such amendments have taken effect before such date.

(b) Notwithstanding section 1338 of the Agriculture and Food Act of 1981 (7 U.S.C. 2012 note), the amendments made by sections 1302 through 1333 of such Act shall take effect on the date of the enactment of this subtitle, unless such amendments have taken effect before such date.

#### EFFECTIVE DATES

SEC. 186. (a) Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on the date of the enactment of this subtitle.

(b) Sections 321 and 325 shall take effect on October 1, 1982.

### TITLE II—BANKING

#### TREATMENT OF FHA SINGLE-FAMILY MORTGAGE

##### INSURANCE PREMIUMS

SEC. 201. (a) Section 203(b) of the National Housing Act is amended by—

(1) inserting after “150 per centum of such median price” in the first sentence of paragraph (2) the following: “: *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured”; and

(2) inserting after “cost of acquisition” in paragraph (9) the following: “(excluding the mortgage in-

surance premium paid at the time the mortgage is insured)”. .

(b) Section 203(c) of such Act is amended by inserting the following before the period at the end of the fourth sentence: “: *Provided*, That with respect to mortgages (1) for which the Secretary requires, at the time the mortgage is insured, the payment of a single premium charge to cover the total premium obligation for the insurance of the mortgage and (2) on which the principal obligation is paid before the number of years on which the premium with respect to a particular mortgage was based, or the property is sold subject to the mortgage or is sold and the mortgage is assumed prior to such time, the Secretary shall provide for refunds, where appropriate, of a portion of the premium paid and shall provide for appropriate allocation of the premium cost among the mortgagors over the term of the mortgage, in accordance with procedures established by the Secretary which take into account sound financial and actuarial considerations”.

(c) Section 213(b)(2) of such Act is amended by inserting after “exceeded by not to exceed 90 per centum in such an area” the following: “: *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured”.

(d) Section 221(d) of such Act is amended by—



(1) inserting after "in any geographical area where he finds that cost levels so require" in paragraph (2)(A) the following: "": *Provided further*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "of its acquisition cost" in paragraph (2)(B)(i)(2) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)"; and

(3) striking out "mortgage insurance premium," in paragraph (2)(B)(i)(2).

(e) Section 234(c) of such Act is amended by inserting after "one-family house price in the area, as determined by the Secretary" in clause (A) of the third sentence thereof the following: "": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured".

(f) Section 235(i) of such Act is amended by—

(1) inserting after "respectively" in paragraph (3)(B) the following: "": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(2) inserting after "respectively" in paragraph (3)(C) the following: "": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured";

(3) inserting after "so require)" in paragraph (3)(D) the following: "": *Provided*, That the foregoing maximum mortgage amounts may be increased by the amount of the mortgage insurance premium paid at the time the mortgage is insured"; and

(4) inserting after "acquisition" in paragraph (3)(E) the following: "(excluding the mortgage insurance premium paid at the time the mortgage is insured)".

#### IMPLEMENTATION

SEC. 202. The amendments made by this Act, except for section 203, may be implemented only if the Secretary determines that the program of advance payment of insurance premiums, with specific regard to the effect of the provisions authorized by the amendments made by this Act, is actuarially sound.

SEC. 203. The last sentence of section 3552 of the Revised Statutes (31 U.S.C. 369) is amended to read as follows: "There are authorized to be appropriated for fiscal year 1983 not to exceed \$50,165,000 for all expenditures (salaries and

1 expenses) of the mints and assay offices not herein otherwise  
2 provided for.”.

### 3 TITLE III—CIVIL SERVICE PROGRAMS

#### 4 ROUNDING DOWN OF CIVIL SERVICE RETIREMENT

##### 5 ANNUITIES

6 SEC. 301. (a) Section 8340(e) of title 5, United States  
7 Code, is amended by striking out “fixed at the nearest  
8 dollar” and inserting in lieu thereof “rounded to the next  
9 lowest dollar”.

10 (b) Section 8345(a) of title 5, United States Code, is  
11 amended by striking out “fixed at the nearest dollar” and  
12 inserting in lieu thereof “rounded to the next lowest dollar”.

13 (c) The amendments made by subsections (a) and (b)  
14 shall apply with respect to any annuity commencing on or  
15 after October 1, 1982, and with respect to any annuity ad-  
16 justment or redetermination made on or after such date.

#### 17 LATER COMMENCEMENT DATE FOR CERTAIN ANNUITIES

18 SEC. 302. (a) Section 8345(b) of title 5, United States  
19 Code, is amended to read as follows:

20 “(b)(1) Except as otherwise provided—

21 “(A) an annuity of an employee or Member com-  
22 mences on the first day of the month after—

23 “(i) separation from the service; or

24 “(ii) pay ceases and the service and age re-  
25 quirements for title to annuity are met; and

1 “(B) any other annuity payable from the Fund  
2 commences on the first day of the month after the oc-  
3 currence of the event on which payment thereof is  
4 based.

5 “(2) The annuity of—

6 “(A) an employee involuntarily separated from  
7 service, except by removal for cause on charges of mis-  
8 conduct or delinquency; and

9 “(B) an employee or Member retiring under sec-  
10 tion 8337 of this title due to a disability;

11 shall commence on the day after separation from the service  
12 or the day after pay ceases and the service and age or disabil-  
13 ity requirements for title to annuity are met.”.

14 (b) The amendment made by subsection (a) shall apply  
15 to annuities which commence on or after October 1, 1982.

#### 16 FEDERAL EMPLOYEE PAY COMPARABILITY ADJUSTMENTS

17 SEC. 303. (a) Notwithstanding any other provision of  
18 law, if—

19 (1) before September 1, 1982, the President  
20 transmits to the Congress pursuant to section  
21 5305(c)(1) of title 5, United States Code, an alternative  
22 plan which provides for an overall percentage pay ad-  
23 justment which is less than 4 percent, and

24 (2) the alternative plan referred to in paragraph  
25 (1) is disapproved pursuant to such section 5305,

1 the rates of pay under the General Schedule and the rates of  
2 pay under the other statutory pay systems shall be increased  
3 under the provisions of such section 5305 by 4 percent in the  
4 case of fiscal year 1983.

5 (b) Each increase in a pay rate or schedule which takes  
6 effect pursuant to subsection (a) shall, to the maximum extent  
7 practicable, be of the same percentage, and shall take effect  
8 on the first day of the first applicable pay period commencing  
9 on or after October 1 of such fiscal year.

#### 10 TITLE IV—VETERANS' PROGRAMS

11 SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES

##### 12 CODE

13 SEC. 401. (a) This title may be cited as the "Veterans'  
14 Disability Compensation and Survivors' Benefits Amend-  
15 ments of 1982".

16 (b) Except as otherwise expressly provided, whenever in  
17 this title an amendment or repeal is expressed in terms of an  
18 amendment to or repeal of a section or other provision, the  
19 reference shall be considered to be made to a section or other  
20 provision of title 38, United States Code.

21 Subtitle A—Compensation and Dependency and Indemnity

##### 22 Compensation Rate Increases

##### 23 RATES OF DISABILITY COMPENSATION

24 SEC. 411. (a) Section 314 is amended—

1 (1) by striking out "\$58" in subsection (a) and in-  
2 serting in lieu thereof "\$62";

3 (2) by striking out "\$107" in subsection (b) and  
4 inserting in lieu thereof "\$114";

5 (3) by striking out "\$162" in subsection (c) and  
6 inserting in lieu thereof "\$173";

7 (4) by striking out "\$232" in subsection (d) and  
8 inserting in lieu thereof "\$249";

9 (5) by striking out "\$328" in subsection (e) and  
10 inserting in lieu thereof "\$352";

11 (6) by striking out "\$413" in subsection (f) and  
12 inserting in lieu thereof "\$443";

13 (7) by striking out "\$521" in subsection (g) and  
14 inserting in lieu thereof "\$559";

15 (8) by striking out "\$604" in subsection (h) and  
16 inserting in lieu thereof "\$648";

17 (9) by striking out "\$679" in subsection (i) and  
18 inserting in lieu thereof "\$729";

19 (10) by striking out "\$1,130" in subsection (j) and  
20 inserting in lieu thereof "\$1,213";

21 (11) by striking out "\$1,403" and "\$1,966" in  
22 subsection (k) and inserting in lieu thereof "\$1,506"  
23 and "\$2,111", respectively;

24 (12) by striking out "\$1,403" in subsection (l) and  
25 inserting in lieu thereof "\$1,506";

1 (13) by striking out "\$1,547" in subsection (m)  
2 and inserting in lieu thereof "\$1,661";

3 (14) by striking out "\$1,758" in subsection (n)  
4 and inserting in lieu thereof "\$1,888";

5 (15) by striking out "\$1,966" each place it ap-  
6 pears in subsections (o) and (p) and inserting in lieu  
7 thereof "\$2,111";

8 (16) by striking out "\$844" and "\$1,257" in sub-  
9 section (r) and inserting in lieu thereof "\$906" and  
10 "\$1,350", respectively;

11 (17) by striking out "\$1,264" in subsection (s)  
12 and inserting in lieu thereof "\$1,357"; and

13 (18) by striking out "\$244" in subsection (t) and  
14 inserting in lieu thereof "\$262".

15 (b) The Administrator of Veterans Affairs may adjust  
16 administratively, consistent with the increases authorized by  
17 this section, the rates of disability compensation payable to  
18 persons within the purview of section 10 of Public Law 85-  
19 857 who are not in receipt of compensation payable pursuant  
20 to chapter 11 of title 38, United States Code.

#### 21 RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

22 SEC. 412. Section 315(1) is amended—

23 (1) by striking out "\$69" in clause (A) and in-  
24 serting in lieu thereof "\$74";

1 (2) by striking out "\$116" in clause (B) and in-  
2 serting in lieu thereof "\$124";

3 (3) by striking out "\$153" in clause (C) and in-  
4 serting in lieu thereof "\$164";

5 (4) by striking out "\$192" and "\$38" in clause  
6 (D) and inserting in lieu thereof "\$206" and "\$40",  
7 respectively;

8 (5) by striking out "\$47" in clause (E) and in-  
9 serting in lieu thereof "\$50";

10 (6) by striking out "\$86" in clause (F) and insert-  
11 ing in lieu thereof "\$92";

12 (7) by striking out "\$123" and "\$38" in clause  
13 (G) and inserting in lieu thereof "\$132" and "\$40",  
14 respectively;

15 (8) by striking out "\$56" in clause (H) and in-  
16 serting in lieu thereof "\$60";

17 (9) by striking out "\$125" in clause (I) and in-  
18 serting in lieu thereof "\$134"; and

19 (10) by striking out "\$105" in clause (J) and in-  
20 serting in lieu thereof "\$112".

#### 21 CLOTHING ALLOWANCE FOR CERTAIN DISABLED

22 VETERANS

23 SEC. 413. Section 362 is amended by striking out  
24 "\$305" and inserting in lieu thereof "\$327".

1 RATES OF DEPENDENCY AND INDEMNITY COMPENSATION  
2 FOR SURVIVING SPOUSES

3 SEC. 414. (a) Subsection (a) of section 411 is amended  
4 to read as follows:

5 “(a) Dependency and indemnity compensation shall be  
6 paid to a surviving spouse, based on the pay grade of the  
7 person upon whose death entitlement is predicated, at month-  
8 ly rates set forth in the following table:

| Pay grade | Monthly rate     | Pay grade | Monthly rate       |
|-----------|------------------|-----------|--------------------|
| E-1.....  | \$445            | W-4.....  | \$639              |
| E-2.....  | 459              | O-1.....  | 563                |
| E-3.....  | 470              | O-2.....  | 582                |
| E-4.....  | 500              | O-3.....  | 622                |
| E-5.....  | 514              | O-4.....  | 658                |
| E-6.....  | 526              | O-5.....  | 726                |
| E-7.....  | 552              | O-6.....  | 817                |
| E-8.....  | 582              | O-7.....  | 884                |
| E-9.....  | <sup>1</sup> 608 | O-8.....  | 969                |
| W-1.....  | 563              | O-9.....  | 1,041              |
| W-2.....  | 586              | O-10..... | <sup>2</sup> 1,139 |
| W-3.....  | 603              |           |                    |

<sup>1</sup>“If the veteran served as sergeant major of the Army, senior enlisted advisor of the Navy, chief master sergeant of the Air Force, sergeant major of the Marine Corps, or master chief petty officer of the Coast Guard, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be \$655.

<sup>2</sup>“If the veteran served as Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, or Commandant of the Marine Corps, at the applicable time designated by section 402 of this title, the surviving spouse's rate shall be \$1,222.”

9 (b) Subsection (b) of such section is amended by striking  
10 out “\$48” and inserting in lieu thereof “\$51”.

11 (c) Subsection (c) of such section is amended by striking  
12 out “\$125” and inserting in lieu thereof “\$134”.

13 (d) Subsection (d) of such section is amended by striking  
14 out “\$62” and inserting in lieu thereof “\$66”.

1 RATES OF DEPENDENCY AND INDEMNITY COMPENSATION  
2 FOR CHILDREN

3 SEC. 415. Section 413 is amended—

4 (1) by striking out “\$210” in clause (1) and in-  
5 serting in lieu thereof “\$225”;

6 (2) by striking out “\$301” in clause (2) and in-  
7 serting in lieu thereof “\$323”;

8 (3) by striking out “\$389” in clause (3) and in-  
9 serting in lieu thereof “\$417”; and

10 (4) by striking out “\$389” and “\$79” in clause  
11 (4) and inserting in lieu thereof “\$417” and “\$84”,  
12 respectively.

13 RATES OF SUPPLEMENTAL DEPENDENCY AND INDEMNITY  
14 COMPENSATION FOR CHILDREN

15 SEC. 416. Section 414 is amended—

16 (1) by striking out “\$125” in subsection (a) and  
17 inserting in lieu thereof “\$134”;

18 (2) by striking out “\$210” in subsection (b) and  
19 inserting in lieu thereof “\$225”; and

20 (3) by striking out “\$107” in subsection (c) and  
21 inserting in lieu thereof “\$114”.

22 EFFECTIVE DATE

23 SEC. 417. The amendments made by this subtitle shall  
24 take effect on October 1, 1982.

Subtitle B—Program Changes

ELIGIBILITY OF SENIOR RESERVE OFFICERS' TRAINING

CORPS PARTICIPANTS INJURED DURING SUMMER MILITARY TRAINING CAMP FOR VETERANS' ADMINISTRATION BENEFITS

SEC. 421. (a) Section 101(22) is amended—

(1) by striking out “and” at the end of clause (C);

(2) by redesignating clause (D) as clause (E); and

(3) by inserting after clause (C) the following new clause (D):

“(D) annual training duty performed by a member of a Senior Reserve Officers' Training Corps program when ordered to such duty for a period of fourteen days or more; and”.

(b) The amendments made by subsection (a) shall apply with respect to diseases and injuries incurred or aggravated during duty performed after September 30, 1982.

INCREASE IN COMPENSATION RATE FOR BLINDED

VETERANS

SEC. 422. (a) Section 314(n) is amended by inserting “or has suffered blindness without light perception in both eyes,” after “anatomical loss of both eyes,”.

(b) Section 314(p) is amended by inserting “or service-connected anatomical loss or loss of use of one hand or one foot” after “in one ear”.

(c) The amendments made by subsections (a) and (b) shall take effect on October 1, 1982.

ROUNDING OF RATES OF ADDITIONAL COMPENSATION FOR DEPENDENTS

SEC. 423. (a) The second sentence of section 315(2) is amended to read as follows: “The amounts payable under this paragraph, if not a multiple of \$1, shall be adjusted downward to the nearest dollar.”.

(b) The amendment made by subsection (a) shall take effect on October 1, 1982.

CORRECTION OF TECHNICAL ERROR WITH RESPECT TO ENTITLEMENT TO DEPENDENCY AND INDEMNITY COMPENSATION

SEC. 424. (a) Section 410(b)(1) is amended by inserting “or entitled to receive” after “was in receipt of”.

(b) The amendment made by subsection (a) shall apply with respect to dependency and indemnity compensation payable for months after September 1982.

ADMINISTRATIVE IMPROVEMENTS TO LIFE INSURANCE PROGRAMS

SEC. 425. (a) Section 770 is amended—

(1) by striking out the second sentence of subsection (c); and

(2) by adding at the end the following new subsection:

1       “(h) Insurance payable under this subchapter may not  
2 be paid in any amount to the extent that such amount would  
3 otherwise escheat to a State. Payment of insurance under  
4 this subchapter may not be made to the estate of the insured  
5 or the estate of any beneficiary of the insured unless it is  
6 affirmatively shown that any sum to be paid will not escheat  
7 to a State. Any amount to be paid under this subchapter shall  
8 be reduced to the extent necessary to comply with this sub-  
9 section.”.

10       (b) The amendments made by subsection (a) shall take  
11 effect on October 1, 1982.

#### 12                   BURIAL FLAGS

13       SEC. 426. (a) Section 901 is amended by adding at the  
14 end the following new subsection:

15       “(e) The Administrator shall furnish a flag to drape the  
16 casket of each deceased person who is buried in a national  
17 cemetery under eligibility for burial under section 1002(6) of  
18 this title. After the burial, the flag shall be given to the next  
19 of kin or to such other person as the Administrator considers  
20 appropriate.”.

21       (b) The amendment made by subsection (a) shall apply  
22 with respect to burials after September 30, 1982.

#### 1       BURIAL BENEFITS FOR CERTAIN VETERANS WHOSE 2                   REMAINS ARE UNCLAIMED

3       SEC. 427. Section 902(a) is amended by striking out  
4 “When a veteran” and all that follows through “the Admin-  
5 istrator,” and inserting in lieu thereof the following: “When a  
6 veteran dies—

7           “(1) who was in receipt of compensation (or but  
8 for the receipt of retirement pay would have been enti-  
9 tled to compensation) or who was in receipt of pension;  
10 or

11           “(2) in the case of a veteran of any war or a vet-  
12 eran who was discharged from the active military,  
13 naval, or air service for a disability incurred or aggra-  
14 vated in line of duty, whose body is held by a State (or  
15 a political subdivision of a State) and with respect to  
16 whom the Administrator determines—

17           “(A) that there is no next of kin or other  
18 person claiming the body of the deceased veteran;  
19 and

20           “(B) that there are not available, from the  
21 deceased veteran’s estate or otherwise, sufficient  
22 resources to defray the cost of the burial and fu-  
23 neral of the deceased veteran,  
24 the Administrator.”.

1 (b) The amendment made by subsection (a) shall apply  
2 with respect to deaths occurring after September 30, 1982.

3 CLARIFICATION OF ELIGIBILITY FOR BURIAL BENEFITS  
4 FOR PERSONS DYING IN CONTRACT NURSING HOME  
5 FACILITIES

6 SEC. 428. (a) Section 903(a) is amended—

7 (1) by striking out “Where death occurs in a Vet-  
8 erans’ Administration facility” and inserting in lieu  
9 thereof “When a veteran dies in a Veterans’ Adminis-  
10 tration facility (as defined in section 601(4) of this  
11 title)”; and

12 (2) by inserting “or in an institution to which the  
13 deceased was properly transferred for nursing home  
14 care under section 620 of this title” after “of this  
15 title”.

16 (b) The amendments made by subsection (a) shall apply  
17 with respect to deaths occurring after September 30, 1982.

18 SUPERINTENDENTS OF NATIONAL CEMETERIES UNDER  
19 THE JURISDICTION OF THE SECRETARY OF THE ARMY

20 SEC. 429. Notwithstanding section 7(b)(2) of the Na-  
21 tional Cemeteries Act of 1973 (87 Stat. 88), the provisions of  
22 the Act entitled “An Act to provide for selection of superin-  
23 tendents of national cemeteries from meritorious and trust-  
24 worthy members of the Armed Forces who have been dis-  
25 abled in the line of duty for active field service”, approved

1 March 24, 1948, as in effect on the day before the effective  
2 date of section 7 of the National Cemeteries Act of 1973,  
3 shall not apply with respect to the appointment of superin-  
4 tendents of national cemeteries under the jurisdiction of the  
5 Secretary of the Army.

6 PROTECTION OF QUALITY OF HEALTH CARE

7 SEC. 430. (a) Section 5010(a) is amended by adding at  
8 the end the following new paragraph:

9 “(6)(A) Except as provided in subparagraph (B) of this  
10 paragraph, all activities carried out at a medical facility  
11 under the direct jurisdiction of the Administrator shall be per-  
12 formed by Federal employees unless the Administrator, after  
13 considering the advice of the Chief Medical Director, deter-  
14 mines that such facility is not capable of carrying out any  
15 such activity through such employees or that contracting for  
16 the performance of such activity would enhance the quality of  
17 medical care for eligible veterans.

18 “(B) Subparagraph (A) of this paragraph does not pro-  
19 hibit or restrict any authority of the Veterans’ Administration  
20 under any other provision of this title or any other provision  
21 of law to enter into contracts or cooperative sharing agree-  
22 ments with other Federal agencies or departments or with  
23 State or nongovernmental entities for the exchange or shar-  
24 ing of goods, services, facilities, or resources.”.



1 (b) Section 5010(a)(6) of title 38, United States Code, as  
 2 added by subsection (a), does not apply with respect to a  
 3 contract in effect on May 15, 1982, or to any renewal, exten-  
 4 sion, or modification of such a contract.

#### 5 Subtitle C—Budget Savings Provisions

##### 6 SHORT TITLE

7 SEC. 431. This subtitle may be cited as the “Veterans’  
 8 Budget Reconciliation Act of 1982”.

#### 9 LOAN ORIGATION FEE FOR VETERANS’ ADMINISTRATION

##### 10 HOME LOANS

11 SEC. 432. (a)(1) Subchapter III of chapter 37 is amend-  
 12 ed by adding at the end the following new section:

#### 13 “§ 1829. Loan fees

14 “(a) Except as provided in subsection (b) of this section,  
 15 a fee shall be collected from each veteran obtaining a loan  
 16 guaranteed, made, or insured under this chapter, and no loan  
 17 may be guaranteed, made, or insured under this chapter until  
 18 the fee payable with respect to such loan has been collected  
 19 and remitted to the Administrator. The amount of the fee  
 20 shall be one-half of 1 per centum of the total loan amount.  
 21 The amount of the fee may be included in the loan to the  
 22 veteran and paid from the proceeds thereof.

23 “(b) A fee shall not be collected under this section from  
 24 a veteran receiving or entitled to receive compensation or

1 from a surviving spouse described in section 1801(b)(2) of this  
 2 title.

3 “(c) Fees collected under this section shall be deposited  
 4 into the Treasury as miscellaneous receipts.

5 “(d) A fee may not be collected under this section with  
 6 respect to any loan closed after September 30, 1985.”.

7 (2) The table of sections at the beginning of such chap-  
 8 ter is amended by inserting after the item relating to section  
 9 1828 the following new item:

“1829. Loan fees.”.

10 (b) Section 1829 of title 38, United States Code, as  
 11 added by subsection (a), shall apply only to loans closed after  
 12 September 30, 1982.

#### 13 EFFECTIVE DATE OF PAYMENTS

14 SEC. 433. (a)(1) Chapter 51 is amended by inserting  
 15 after section 3010 the following new section:

#### 16 “§ 3011. Commencement of payment based on an award

17 “(a) Notwithstanding section 3010 of this title or any  
 18 other provision of law and except as provided in subsection  
 19 (c) of this section, payment of monetary benefits based on an  
 20 award or an increased award of compensation, dependency  
 21 and indemnity compensation, or pension may not be made for  
 22 any period before the first day of the calendar month follow-  
 23 ing the month in which the award became effective as pro-  
 24 vided under section 3010 of this title or such other provision  
 25 of law.

1 “(b)(1) During the period between the effective date of  
 2 an award as provided under section 3010 of this title or other  
 3 provision of law and the commencement of the period of pay-  
 4 ment based on such award as provided under subsection (a) of  
 5 this section, an individual entitled to receive monetary bene-  
 6 fits shall be deemed to be in receipt of such benefits for the  
 7 purpose of all laws administered by the Veterans’ Adminis-  
 8 tration, except as provided in paragraph (2) of this subsec-  
 9 tion.

10 “(2) If any person who is in receipt of retired or retire-  
 11 ment pay would also be eligible to receive compensation or  
 12 pension upon the filing of a waiver of such pay in accordance  
 13 with section 3105 of this title, such waiver shall not become  
 14 effective until the first day of the month following the month  
 15 in which such waiver is filed, and nothing in this section shall  
 16 prohibit the receipt of retired or retirement pay for any period  
 17 before such effective date.

18 “(c) This section shall apply to payments made pursuant  
 19 to section 3110 of this title only if the monthly amount of  
 20 dependency and indemnity compensation or pension payable  
 21 to the surviving spouse is greater than the amount of com-  
 22 pensation or pension the veteran would have received for the  
 23 month in which such veteran’s death occurred.”.

1 (2) The table of sections at the beginning of such chap-  
 2 ter is amended by inserting after the item relating to section  
 3 3010 the following new item:

“3011. Commencement of payment based on an award.”.

4 (b) Section 3011 of title 38, United States Code, as  
 5 added by subsection (a), shall take effect on October 1, 1982.

6 EFFECTIVE DATE OF CERTAIN REDUCTIONS OF

7 COMPENSATION AND PENSION

8 SEC. 434. Effective on October 1, 1982, section  
 9 3012(b)(2) is amended by striking out “calendar year” and  
 10 inserting in lieu thereof “month”.

11 ROUNDING OF PENSION TO NEXT LOWER DOLLAR

12 SEC. 435. (a)(1) Chapter 51 is amended by adding at  
 13 the end the following new section:

14 “§ 3023. Rounding of pension payments

15 “The amount of any pension payment under section  
 16 521, 541, or 542 of this title or under section 306(a) of the  
 17 Veterans’ and Survivors’ Pension Improvement Act of 1978  
 18 (Public Law 95-588), if not a multiple of \$1, shall be round-  
 19 ed down to the next lower multiple of \$1.”.

20 (2) The table of sections at the beginning of such chap-  
 21 ter is amended by adding at the end the following new item:

“3023. Rounding of pension payments.”.

22 (b) Section 3023 of title 38, United States Code, as  
 23 added by subsection (a), shall take effect on October 1, 1982.

1 ELIGIBILITY OF COLLEGE STUDENTS FOR PENSION

2 SEC. 436. (a) Section 501 is amended by adding at the  
3 end the following new paragraph:

4 “(5)(A) For the purposes of sections 521, 522, 541,  
5 542, and 543 of this title, the term ‘child’ shall be as defined  
6 in section 101(4) of this title except as provided in subpara-  
7 graph (B) of this paragraph.

8 “(B) The term ‘child’ includes a child who is over the  
9 age of eighteen if such child is pursuing a program of educa-  
10 tion for the purpose of receiving a secondary school diploma  
11 and is under the age of nineteen but does not include a child  
12 over the age of eighteen who is not pursuing such a program  
13 unless such child before attaining the age of eighteen became  
14 permanently incapable of self-support.”.

15 (b) The amendment made by subsection (a) does not  
16 apply to any child to whom or on behalf of whom pension or  
17 additional pension for the month of September 1982 is pay-  
18 able under section 521, 541, or 542 of title 38, United States  
19 Code, if such child has attained the age of eighteen years  
20 before October 1, 1982.

21 (c)(1) Notwithstanding any provision of section 521,  
22 541, 542, or 3112 of title 38, United States Code, or section  
23 306(a) of Public Law 95-588, and except as provided in  
24 paragraph (2) of this subsection, pension or additional pension  
25 payable to or on behalf of any child, including a child de-

1 scribed by subsection (b) of this section, under section 521,  
2 541, or 542 of such title or section 306(a) of Public Law 95-  
3 588, on the basis of the child’s pursuit of a course of instruc-  
4 tion at an approved educational institution, shall—

5 (A) not be paid for the months of May, June,  
6 July, and August, beginning with the months of May  
7 1983;

8 (B) not be paid for any month after April 1985;

9 (C) not exceed for any month the amount of the  
10 pension or additional pension (attributable to such  
11 child) for the month of September 1982 (or a later  
12 month if the Administrator considers a later month ap-  
13 propriate under the circumstances), reduced by an  
14 amount—

15 (i) during the months after September 1982  
16 and before May 1983, equal to 25 per centum of  
17 the benefit payable for September 1982 (or such  
18 later month);

19 (ii) during the months after August 1983 and  
20 before May 1984, equal to 50 per centum of the  
21 benefit payable for September 1982 (or such later  
22 month); and

23 (iii) during the months after September 1984  
24 and before May 1985, equal to 75 per centum of

the benefit payable for September 1982 (or such later month); and

(D) not be paid for any month after such pension or additional pension is discontinued at any time after September 30, 1982, by reason of such child's discontinuance of pursuit of a course of instruction at an approved educational institution.

(2) The limitations and reductions provided for under paragraph (1) of this subsection shall not apply to pension or additional pension payable to or on behalf of a child who—

(A) before attaining the age of eighteen became permanently incapable of self-support, or

(B) who, after attaining the age of eighteen and before attaining the age of nineteen, is pursuing a program of education for the purpose of receiving a secondary school diploma.

#### REPEAL OF AUTHORITY TO PURSUE CORRESPONDENCE

##### TRAINING

SEC. 437. (a) Section 1631(c) is repealed.

(b)(1) Section 1652(c) is amended by striking out "correspondence school,".

(2) Section 1681(b) is amended by striking out " , other than a program exclusively by correspondence,".

(3)(A) Section 1684 is amended to read as follows:

#### "§ 1684. Apprenticeship or other on-job training

"Any eligible veteran may pursue a program of apprenticeship or other on-job training and be paid a training assistance allowance as provided in section 1787 of this title."

(B) The item relating to such section in the table of sections at the beginning of chapter 34 of such title is amended to read as follows:

"1684. Apprenticeship or other on-job training."

(c)(1) Section 1701(a)(6) is amended by striking out "correspondence school,".

(2)(A) Section 1734 is amended—

(i) by striking out "(a)"; and

(ii) by striking out subsection (b).

(B) The heading for such section is amended to read as follows:

#### "§ 1734. Apprenticeship or other on-job training".

(C) The item relating to such section in the table of sections at the beginning of chapter 35 is amended to read as follows:

"1734. Apprenticeship or other on-job training."

(d)(1) Section 1780 is amended—

(A) in subsection (a)—

(i) by striking out " , other than a program by correspondence,";

(ii) by inserting "or" at the end of clause (4);

(iii) by striking out clause (5); and

(iv) by redesignating clause (6) as clause (5);

(B) by striking out subsection (b) (including the center heading preceding such subsection); and

(C) by redesignating subsections (c), (d), (e), (f), and (g) as subsections (b), (c), (d), (e), and (f), respectively; and

(D) by striking out "subsection (d)(2)" in subsection (d) (as so redesignated) and inserting in lieu thereof "subsection (c)(2)".

(2) Section 1784 is amended—

(A) by striking out "or, in the case of correspondence training, the last date a lesson was serviced by a school" in subsection (a); and

(B) by striking out "section 1780(d)(4)" in subsection (c) and inserting in lieu thereof "section 1780(c)(4)".

(3)(A) Section 1786, relating to correspondence courses, is repealed.

(B) The table of sections at the beginning of chapter 36 is amended by striking out the item relating to section 1786.

(4) The second sentence of section 1798(c) of such title is amended by striking out "correspondence, or".

(e) Section 604(a) of the Vietnam Era Veterans' Readjustment Assistance Act of 1972 (38 U.S.C. 1712 note) is amended by striking out "(1) eligible to pursue a program of

education exclusively by correspondence by virtue of the provisions of section 1786 of such title (as added by section 316 of this Act) or (2)".

(f) The amendments made by this section shall take effect on October 1, 1982.

Passed the House of Representatives August 10, 1982.

Attest: EDMUND L. HENSHAW, JR.,

*Clerk.*